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## NEWS SUMMARY

### GENERAL

## Olympic gold medal for Coe

Sebastian Coe took the Olympic 1,500 metres gold medal in Moscow yesterday and gained revenge over rival Steve Ovett who outran him in the 800 metres.

In a slow race, a late burst of speed by Coe off the final bend shattered Ovett who was pushed into third place by East German Jurgen Straub.

Sheffield, Coe's home town, was reported at a standstill for four minutes as workers in shops, offices and factories listened to the race on their radios. Lord Mayor Bill Owen said a civic welcome was being planned for Coe.

### Moran charged with conspiracy

Lloyds underwriter and broker Christopher Moran was arrested and charged with conspiracy to defraud. He will appear in court today.

### Rail crash deaths

Some 17 people were feared dead and more than 40 were injured when an Irish express train jumped the rail about 32 miles north of Cork.

### Banker shot

Marquis of Urquijo, a director of one of Spain's largest banks, and his wife were found murdered in their beds at their Madrid home. They had been shot several times.

### Woman 'critical'

Woman whose severed right arm was stitched back on after a speed boat accident was "critically ill" in Withington Hospital, Manchester.

### 13% for teachers

Teachers were awarded pay rises of 13 to 14 per cent by arbitration. But the Cabinet is still split over whether to pay the increase. Back Page

### Sadat silent

Egyptian President Sadat decided against making an open gesture of protest at Israel's decision to make Jerusalem its undivided capital. Page 2

### Carter to report

President Carter promised a full report on Monday on the controversy surrounding his brother Billy's links with the Libyan Government. Page 2

### Driver killed

French motor racing star Patrick Depailler was killed when his car crashed during practice on the Hockenheim circuit in West Germany.

### Envoy detained

First secretary of the Iraqi embassy in East Berlin was detained by West Berlin police for alleged involvement in an attempted bomb attack on a youth centre.

### Kagan remanded

Textile tycoon Lord Kagan was remanded in custody in Leeds on four charges of theft involving dye powder and one of falsifying accounts.

### Jury vetting

Attorney General Sir Michael Havers' new guidelines on jury vetting mean his permission will be required before Special Branch records are consulted. Page 3

### Fortnum fined

Fortnum and Mason in Piccadilly, London, was fined £225 under the Food Hygiene Regulations after a one-inch nail was found in a Dundee cake.

### Briefly...

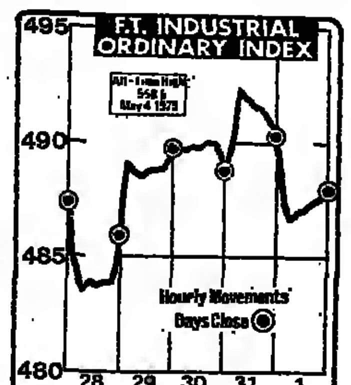
Earthquake in northern India killed at least 26 people

Post Office is developing a telephone kiosk to meet the needs of the disabled.

### BUSINESS

## Equities off 2.4; gold at $621.5

● EQUITIES were generally easier, the FT 30-share index falling 2.4 to 487.9, virtually unchanged on the week. Page 22




● GILTS saw initial selling, but mediums and longs recovered to leave small gains ranging from ¼ to ⅜. Shorts failed to rally, and losses extended to ½. The Government Securities index was unchanged at 70.78. Page 22

● STERLING eased again in thin trading, losing 95 points to $2.3335. Its trade-weighted index fell to 74.5 (74.7). DOLLAR remained firm, closing at DM 1.7925 (DM 1.7815) and its index rose to 84.9 (84.8). Page 21

● GOLD rose $5 in London to $621.50. Page 21

● WALL STREET was 3.15 lower at 932.17 before the close. Page 18

● SHORT-TIME working compensation scheme, which helps industry maintain employment during the recession, may be extended, a Government Minister hinted. Page 3

● ROCKWARE GLASS is to cut its work force by 935, or nearly 20 per cent, because of falling demand for wine and spirit bottles. United Glass is also drawing up redundancy plans. Back Page

● UNION leaders of 200,000 lorry men in the private haulage sector are to base their pay claims directly on the inflation rate. Page 3

● UNEMPLOYMENT in the U.S. totalled 8.2m in July, up 0.1 per cent on June and representing 7.8 per cent of the work force. Page 2

● ELECTRICITY Council has cleared two managers of its £1.3bn pension fund suspended since March of "any allegations of impropriety or dishonesty." Back Page

● BRITISH TELECOM, the new Post Office division, will be headed by Mr. George Jefferson, a British Aerospace director and member of the National Enterprise Board. Profile, Page 3

● GENERAL MOTORS of the U.S. plans to expand its Portuguese operations by acquiring plants belonging to the state-owned components manufacturer Cimbor. Page 19

● TOURIST industry will get a £20m low-interest loan from the European Investment Bank, compared with the £10.5m present state aid, the Trade Secretary announced. Page 3

### COMPANIES

● MOUNT CHARLOTTE Investments, the hotel group with catering interests, reports taxable profits down to £104,000 for the 28 weeks to July 13, compared with £292,000 on a year ago. Page 16

● CRAY ELECTRONICS group raised pre-tax profits 20 per cent to £875,000 for the year to April 26 on a 30 per cent rise in turnover. Page 16

● LATEST PLANS for reorganising France's troubled Manufrance group involves selling most of its shops and splitting its manufacturing and other interests between three subsidiaries, trade unions disclosed. Page 19

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | | |
|---|---|---|
| Treas. 5pc '86-89 | £66¾ | + ⅞ |
| Caffyns | 158 | + 10 |
| Cont. Stationery | 44 | + 6 |
| Hartwells | 65 | + 4 |
| Higgs and Hill | 90 | + 6 |
| Lep Group | 290 | + 18 |
| Lex Service | 82 | + 3 |
| Marlborough Prop. | 43 | + 3 |
| Mining Supplies | 140 | + 6 |
| Newarthill | 308 | + 5 |
| Regional Props. A | 132 | + 5 |
| Taylor Woodrow | 488 | + 12 |
| Tern-Consulate | 35 | + 3 |
| Anglo-Amer. Gold | £40 | + ⅞ |
| Stilfontein | 902 | + 45 |
| Welkom | 816 | + 24 |

| FALLS | | |
|---|---|---|
| Treas. 15pc 1985 | £107¼ | − ⅛ |
| Empire Stores | 168 | − 6 |
| Fidelity Radio | 29 | − 5 |
| Hoover A | 172 | − 8 |
| Land Securities | 366 | − 4 |
| Lyle Shipping | 252 | − 5 |
| Milford Docks | 142 | − 20 |
| Rockware | 105 | − 6 |
| Tube Invs. | 258 | − 4 |
| Wellman Eng. | 69 | − 4 |

# Cash limits will determine rises in Civil Service

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT yesterday told leaders of 550,000 civil servants that it intends to use cash limits rather than the usual process of comparability to determine the Civil Service pay increases in the new wage-round which formally began yesterday.

Union leaders were convinced after the meeting that the quiet but forceful ministerial message effectively took the line of an incomes policy.

The firmness of Ministers' message, coupled with the timing of the declaration nine months ahead of the due Civil Service settlement date, is the clearest indication of the Government's resolve to keep public-sector pay increases this year within predetermined financial ceilings.

The Union leaders believe that because the Government does not have direct financial control over pay in nationalised industries or local authorities, it could not openly apply to them the same strictures it intended to place on its own staff.

Lord Soames, Lord President of the Council and Minister in day-to-day charge of the Civil Service, and Mr. Paul Channon, Civil Service Minister, told the nine Civil Service union leaders that 30 per cent of public expenditure was now made up of central and local government pay, with the nationalised industries.

They said that in the new round the Civil Service would have to settle for a lower figure than last year, though they put no specific figure up as a target.

Last year's Civil Service 18.75 per cent deal was kept within the 14 per cent cash limit by staging and manpower cuts. But taken with staged payments held over from the previous year, it added 25 per cent to the central government pay bill.

After publication last week of a Commons' committee report highly critical of the Treasury and Civil Service Department's handling of that deal, the Government is especially anxious to ensure that this round's deal is seen to be fair by both Parliament and the public.

The Pay Research Unit, which for most of the past 25 years has determined Civil Service pay by comparisons with outside work, will deliver its reports towards the end of the year.

Lord Soames stressed yesterday that cash limits will be the "major determinant" of the settlement.

U.S. air tranport industry, stnie

The unit is to be strengthened by apointment of possibly two non-Civil Service directors and by changes in its terms of reference.

These would allow the unit to monitor settlements, examine the range of outside companies used for the comparisons, and become more closely involved in the negotiations on such items as fringe benefits, job security and employee mobility.

The alterations to the pay system will also include previously disclosed changes, such as regional pay negotiations to bring market forces more directly into play, merit payments for increased efficiency and productivity, and abolition of automatic annual increments.

# Workers dismissed in bid to end S. Africa strike

BY BERNARD SIMON IN JOHANNESBURG

THE South African authorities moved yesterday to break the strike by 10,000 Johannesburg municipal workers which crippled the city's refuse and sanitation services this week.

More than 1,000 black strikers were dismissed and "deported" to their homelands in a move bound to undermine the effectiveness of concessions made by the Government to black workers in recent months.

According to one witness workers were forced to board the buses at gunpoint and employees who returned to work had to be escorted by armed police.

The Johannesburg city strike has been the biggest stoppage against a single employer in the country's history and follows mounting industrial unrest. South Africa's car industry was recently paralysed by a series of strikes.

Mr. Joseph Mavi, leader of the black municipality workers' union which organised the strikes, was arrested by security police. He is being held under a law which allows detention without trial for up to two weeks. He may be charged with organising an illegal strike.

In a related development, Mr. Allister Sparks, editor of the Rand Daily Mail, appeared in a Johannesburg court yesterday. The hearing was held in camera, but Mr. Sparks is reported to have been asked to give police notes and transcripts of an interview with Mr. Mavi which the newspaper published earlier this week.

The hard line adopted by the Johannesburg authorities is in sharp contrast to the conciliatory attitude of many other employers who have been involved in strike action over the past two months. Volkswagen's local subsidiary, for instance, did not dismiss any workers during a three-week strike last month. The company's management also asked police to stay clear of workers' meetings at the factory.

The Johannesburg city council's handling of the strike has been widely criticised. Opposition politicians, trade unionists and labour experts have attacked its adamant refusal to recognise Mr. Mavi's union, which appears to have overwhelming support among the workers.

The council's tough strike-breaking action and its refusal to meet demands for higher wages and union recognition has raised fears that some of the workers who have returned to their jobs may strike again soon. Some said they went back only because of police intimidation.

Although black unions are now officially recognised, some observers argue that South Africa's entire industrial conciliation machinery and its application are not sufficiently flexible to cope rapidly and effectively with workers' grievances.

The Johannesburg strike—like the other recent walkouts—was illegal. Workers failed to use lengthy Government-approved conciliation procedures. The law forbids workers in essential services from walking off their jobs, but this did not prevent the Johannesburg workers from doing so.

# Renewed Labour Party turmoil

BY PHILIP RAWSTORNE

THE LABOUR PARTY was thrown into renewed and bitter turmoil yesterday over the call by leading moderates to save the movement from Left-wing control.

In an open letter to the party, Mrs. Shirley Williams, Dr. David Owen and Mr. William Rodgers appealed for support at the autumn party conference. The Left-wing challenge was the gravest crisis in the party's history they said.

Left-wingers responded by demanding that the "Gang of Three" should leave the party.

Mr. James Callaghan, party leader, is believed to be less than pleased with this renewed outburst of party feuding.

The Labour leader calculates that he has won enough union block votes to beat the Left's plans for changing the party constitution at the conference.

He would have preferred to keep the temperature down before the critical votes, believing such tactics would both assure his victory and help unite the party afterwards.

The moderates' move revived speculation at Westminster that the ground was being prepared for Mr. Callaghan's resignation from the leadership and the election of Mr. Denis Healey as his successor this autumn.

In their letter, the three moderates condemned the "willingness of some leading members of the party to flirt with extremists who openly regard democracy as a sham."

This clear reference to Mr. Anthony Wedgwood Benn was coupled with warnings that the growth of Left-wing influence would lead to the disaffection of many Labour voters and strengthen support for a possible centre party.

Labour's first priority should have been to prepare a relevant and radical alternative to Tory policies. "Instead there has been a sustained attempt to commit the party . . . to inflexible policies based on bureaucratic centralism and state control."

Mrs. Williams said yesterday that there was not the slightest doubt that voters would refuse to back a far-Left Labour Party.

It was "very nearly the final hour" for the movement to decide who should control its manifesto and its policies, she said.

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# Dollar continues to rise sharply

By Peter Riddell, Economics Correspondent

THE DOLLAR rose sharply again yesterday against the major European currencies after further increases in Eurodollar interest rates.

The rate for six-month Eurodollars has risen 1¼ percentage points to 10⅞ per cent since last Monday. The market believes the recent decline in U.S. domestic interest rates has ended, and this has led to the sharpest rise in the dollar in a week since late spring.

Trading in the foreign exchange market was yesterday much quieter than earlier in the week, although the dollar still managed to rise from DM 1.7815 to DM 1.7925 for a rise of 3.1 per cent over the week.

The dollar has also risen sharply against other Continental currencies, although it has gained only fractionally compared with the Japanese yen. The dollar trade-weighted index, as calculated by the Bank of England, has risen from 83.5 to 84.9 over the week.

The strength of the dollar has been the main reason for the weakness of sterling in the past few days. The pound yesterday fell 95 points to $2.3335, its lowest closing level for six weeks, after falling by 5.8 cents in the week.

The pound has, however, appreciated slightly against the main Continental currencies. Last night it closed at DM4.18½ against DM4.16 a week ago.

Consequently, the sterling trade-weighted index has slipped only 0.8 points to 74.5 in the week.

The fall in the sterling/dollar rate may have reflected some selling of gilt-edged stock by U.S. holders who have recently been substantial buyers.

The selling pressure was less yesterday than previously, and there were small gains in some long-dated gilt-edged stocks after the large falls earlier in the week.

There was a small rise in Treasury bill rate at yesterday's weekly tender from 14.43 to 14.70 per cent.

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£ in New York

| — | July 31 | Previous |
|---|---|---|
| Spot | $2.3290-3310 | $2.3465-3480 |
| 1 month | 1.55-1.50 dis | 1.70-1.86 dis |
| 3 months | 3.60-3.56 dis | 3.68-3.83 dis |
| 12 months | 6.90-6.80 dis | 6.85-6.75 dis |

# Westward TV share threat to Cadbury

BY ARTHUR SANDLES

WESTWARD TELEVISION'S Board has threatened to reallocate Mr. Peter Cadbury's shareholdings in the company unless he waives voting rights at an extraordinary shareholders' meeting scheduled for October 17.

The board says this move is available to directors if they consider a shareholder behaves in a way endangering the company's contract as commercial television franchise-holder for the West Country.

In a series of other moves the board, under Lord Harris of Greenwich, its new chairman, appointed accountants Price Waterhouse to investigate Westward's past financial management system and practices and appointed Hambros to be its financial advisers.

These resolutions were all passed by an 11 to three majority at a meeting yesterday. It was attended by Mr. Cadbury, deposed as chairman by the board three weeks ago, and by Lord Lisburne, his friend and deputy chairman, similarly displaced. It was held in solicitors' offices in Plymouth, not the company's boardroom.

Mr. Cadbury and his wife own 35,000 10p voting shares in Westward, of the total 200,000. The voting shares are not quoted. The 10p non-voting stock was quoted at 20p yesterday. Previous private transactions in the voting shares are understood to have reflected the non-voting price.

This means, in terms of power, that the deal is not likely to be an expensive one. The difficulty for the board is choosing a suitable recipient, even supposing Mr. Cadbury allowed the transaction to occur without legal question.

The relevant article of association is unusual, even in a television company. The Independent Broadcasting Authority, in its role as overseer of commercial television, is thought to have been informed of the Board's intentions. It has a final right of approval over voting shareholdings and appointment of directors.

Yesterday's events brought new twists to a convoluted story. Immediately after the Board meeting Mr. Cadbury was consulting lawyers. He will see counsel on Monday to start proceedings for High Court action to bring forward the shareholders' meeting date.

He owns or has powers of attorney for 55 per cent of Westward's voting shares. "I won't be beaten," he said. "The directors are living on borrowed time and I am still completely confident of victory."

After a lengthy, heated meeting on a sticky Devon day, he emerged to say the Board had behaved as predicted.

"We thought they would probably do this and try to bang on until the last possible time in the face of the inevitable," he said last night. "It is in no one's interest to drag this thing on until October."

The choice of the October date has several implications. Apart from it being only a week short of the longest possible delay, it is also one month after

Continued on Back Page

# Proms start on Thursday

BY NICK GARNETT, LABOUR STAFF

THIS SEASON'S truncated series of Promenade concerts will start on Thursday following a ballot decision by members of the Musicians' Union to end their two-month strike over orchestra cutbacks.

The ballot produced a five-to-one vote in favour of accepting proposals recommended by the union's leadership, which save three of the six BBC orchestras which the corporation wanted to disband as part of its cost-cutting programme.

Acceptance by the union was coupled with a statement from Mr. John Morton, its general secretary, that the public would be best served if in future the corporation used greater staff consultation in planning.

Musicians in the BBC orchestras will resume work on Monday, when the union's embargo on work being done by its other members for the BBC will also be lifted.

The settlement of the strike involves the retention of the Scottish Symphony Orchestra, the Northern Ireland Orchestra and the London Studio Players.

● The corporation is making a special ticket offer for the Proms. Between August 7 and August 16, but excluding the 12 and 14, one free ticket will be offered for every ticket already held. New buyers will be offered two tickets for the price of one.

# OVERSEAS NEWS

## Carter in bid to defuse move to free delegates

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT Carter has no intention of releasing the delegates pledged to him to vote according to their consciences at the Democratic Party's National Convention in New York starting on August 11, he said yesterday.

The President invited about 100 sympathetic Democratic Coogressmen to the White House in a clear attempt to defuse the growing "open convention" movement, which wants the delegates freed to express their preferences.

Mr. Carter's uncompromising staoce on the issue, which he may explain at greater length in a Press conference next Monday, may in part reflect the fact that the diplomatic cahles, carrying low-level security classification, that he is said to have turned over to his controversial hrother, Billy, contained no sensitive information at all. The White House published a selection of these messages on Thursday.

The President was also clearly attempting to counter the influence of Thursday's statement by Congressman John Anderson from Illinois—who is the independent Presidential contender—that if Mr. Carter were not nominated hy the Democratic Party, he would reassess the ratiooale for his own Presidential candidacy.

Mr. Anderson spoke after an unexpected meeting with Senator Edward Kennedy, Mr. Carter's principal rival for the nomination. In half-aligning himself with Mr. Kennedy's cause, Mr. Anderson seemed to be indicating to disaffected Democrats that if the Senator is not the nominee, they could find a home in his own candidacy.

Most political experts believe that, harring the unforeseen in the next week, Mr. Carter's lead in the critical delegate race is large enough for him to triumph in New York.

A Washington Post poll of 591 of the 3,331 delegates found 54 per cent opposed to the idea of opening up the convention, which could lesd to another, undeclared candidate winding up with the nomination.

The Post's survey found almost no slippage in delegate support for Mr. Carter, despite the emharrassment caused him by his brother's Libyan connection and despite a variety of survey's showing him well behind Mr. Ronald Reagan, the Republican challenger.

Some of these polls do, however, make nasty reading for Mr. Carter. Mr. Mervyn Field's California poll, for example, now puts the President hehind hoth Mr. Reagan and Mr. Anderson in the most populous state in the nation. It also found Mr. Edmund Muskie, the Secretary of State, running much more strongly than the President, though still behind Mr. Reagan.

Many Democratic Congressmen, especially the 50 or so who support the open convention movement, are afraid that a poor performance by Mr. Carter in the November Prealdential election could endanger their own seats.

## More work but unemployment rises in U.S.

WASHINGTON — Against economic oredictions, the number of Americana holding jobs in July rose sharply for the first time in five months, hut the unemployment rate crept back up to 7.8 per cent, the Labour Department reported yesterday.

Total employment rose by 459,000 jobs during the month, hut unemployment, which bad dropped from 7.8 per cent in May to 7.7 per cent in June, returned to 7.8 per cent as the number of jobless increased by 201,000.

The department said unemployment rose in spite of the gain in jobs because people entered the lahour market at a faster rate than jobs were created.

The figures, comhined with a positive Commerce Department report on economic trends issued earlier this week, suggested that the recession is hottoming out sooner than economists expected.

AP

## Open competition urged for telecommunications

BY IAN HARGREAVES IN NEW YORK

STAFF at the U.S. Federal Communications Mission are recommending a further, radical stage in the lifting of regulatory control on the telecommunicationa industry even before Congress has authorised the first stage.

A series of staff recommendations put to a meeting of the commission yesterday call for the virtually complete deregulation of smaller "common carriers—companies which offer their services publicly at uoiform rates.

Io their most radical proposal, the staff also want the FCC to prepare the ground for deregulating some of the carriers now deemed to have near monopoly positions in the domestic telecommunicatioos market as the smaller carriers grow and provide open market competition.

The process envisaged hy the staff is very close to that followed hy other agencies in deregulating road haulage, airlines and railways.

The Idea is to restore market pricing mechanisms and competition into sectors which were previously regarded as best handled by market-dominant, protected companies supervised tightly by a Government commission.

It is atill not clear how quickly this process will occur in telecommunications. Earlier this week, the House of Representatives passed a Bill releasing American Telephone and Telegraph, the dominant force in telephone services, from restrictions which had prevented it challenging companies like IBM in the data processing business. The Bill also exposes AT and T to competition in some formerly protected markets.

But the Senate version of the Bill is still tied up in committee and it is uncertain whether it will emerge in time to clear Congress before the presidential election in November.

As the administrator of the regulations, however, the FCC has considerable lattitude in forcing the pace on deregulation even without a congressiooal mandate.



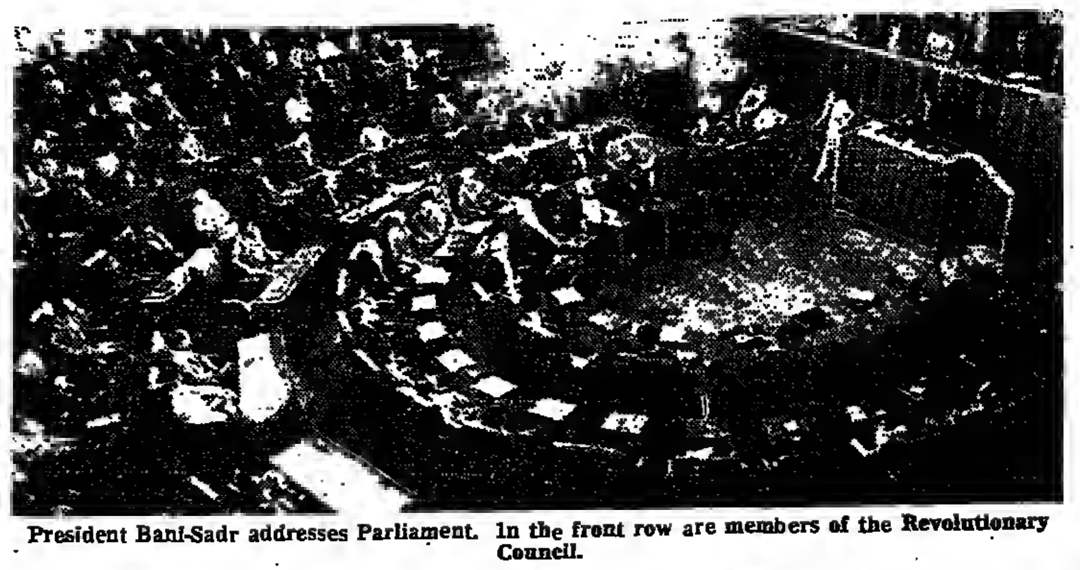
**Patrick Cockburn, in Tehran, examines Iran's Parliament, and power of the clergy**

## Hand of the Mullahs poised for the kill

THE DAY Iran's Parliament voted to call itself the Islamic Assembly, the Speaker asked Deputies to signify their assent to the change by rising to their feet.

Almost alone, Dr. Mehdi Bazargan, the former Premier, who resigned last November when the U.S. Embassy in Tehran was stormed, kept his seat.

His passive, lonely figure, white beard and blue shirt outlined against the dark robes of the mullahs standing behind him, seemed to symbolise the isolation of the secular nationalists and the control of the clergy has won over the Parliament, which consists of about 225 members.



President Bani-Sadr addresses Parliament. In the front row are members of the Revolutionary Council.

It is a control they intend to use. Over the past week, they have spurned any compromise with President Abol Hassan Bani-Sadr concerning the choice of a Prime Minister and Cabinet. "They are moving in for the kill," one observer said.

Victorious in the Parliamentary elections in March and April, the clergy-dominated Islamic Republican party (IRP) sees no reason to be impressed hy the President's repeated assertion that he was elected with 11m votes in January.

Seated in the semi-circular chamber of the old Senate building across a narrow lane from the President's offices, they have proved their majority in repeated votes. One of their leaders was easily elected Speaker. The President's support is at most only about 20 per cent, with perhaps a similar number of floating voters.

Does the IRP's domination allow free debate? One Member resigned, alleging that the atmosphere in the Chamber was intimidating, though the impact of his grand gesture was somewhat deflated when the Speaker lost his resignation letter. He was later persuaded to withdraw it.

For *all* this, there is a democratic flavour to the proceedings. Petitioners and party supporters crowd the corridors, some stretched out asleep by the plate glass windows. Tribesmen from the west, their pistol holsters dutifully empty, mix with mullahs, peasants and townspeople, many of them clutching letters to their Deputies.

Inside the Chamber the debate is frequently ferocious and speeches occasionally endless. The usual method of attack is for Deputies to allege that their opponents had unacceptably close relations with the Shah's régime.

Other denunciations are more strictly personal. One leading Deputy, for example, was accused of un-Islamic behaviour during sex education classes in a girls' school in which he had once taught.

Most of May and June were taken up by the examination of credentials. Almost every Deputy was challenged, frequently for frivolous reasons.

Some Members of Parliament clearly had a lot of explaining to do. Last month a mullah from the north-west of Iran spoke for two hours, trying to account for a photograph of himself beaming dutifully at the Shah which seemed to contradict his own claims of years of militant opposition to the Imperial dynasty.

He had, so the Deputy explained, been uncertain about meeting the Shah. To resolve this knotty problem, he had sought divine assistance by opening the Koran at random. The text which had first caught his eye he construed as a clear message to go to the meeting.

Good, his fellow Deputies seemed to *think*, but not quite good enough—and voted him out.

The IRP certainly used the opportuntiy to deal with some of its opponents. Adml. Ahmad Madani, former naval chief and governor of Khuzestan, who came second in the Presidential elections, refused to turn up in Parliament to have his credentials examined, denouncing the whole procedure as undemocratic.

Mr. Khosrow Qashqai, chief of a powerful tribe from around Shiraz, was briefly arrested and is now accused of being a CIA agent.

Had he shot one of tha Revolutionary Guards making the arrest, a reporter subsequently asked him? "Only a little bit," Mr. Qashqai said.

Having purged itself, Parliament was constituted a full legislative Chamber late last month. But a clash with President Bani-Sadr was inevitable. The IRP has quashed his attempt in May to outflank Parliament by appointing his own Prime Minister before it met.

The struggle between President Bani-Sadr and Parliament is now out in the open. Extensive radio and television coverage of debates leaves Iranians in no doubt about the bitterness between the IRP and the diverse minority of Deputies who oppose it.

It is a clash which the IRP will almost certainly win, and thus dominate the new Government. The key question then, as Parliament moves towards deciding the fate of the U.S. hostages is how far that party will be satisfied by the power it has won, or feel it necessary to move finally to crush all its enemies inside and outside Parliament.

Umberto Agnelli: symbolic departure

## Agnellis may give up Fiat control

By Rupert Cornwell in Rome

THE REVERBERATIONS of Sig. Umberto Agnelli's resignatioo as managing director of the Fiat group were echoing through Italy yesterday as the country attempted to assess what effect the surprise move would have oo redundancles planned for this autumn.

The prevailing interpretation of the Turin Boardroom reshuffle announced on Thursday night, as Fiat was closing down for the August holiday month, is that it signifies the complete withdrawal of the Agnellis from day-to-day executive control of the group.

It is also Fiat's hope that by removing Sig. Agnelli from the industrial front line, the group's serious difficulties, especially in its car sector, may be handled in a calmer and less emotional fashion.

After a meeting with Sig. Antonio Bisaglia, the Industry Minister, to explain the moves yesterday, Sig. Giovanni Agnelli, president of Fiat, said it had become increasingly difficult for his younger brother to stay on as chief operational executive of the group.

In Turin people say when times are good that industry is taking on new workers: but when they're bad, then it is the Agnellies who are doing the sacking.

The group is now aiming at a lower profile over the difficult months to come, when the Italian and European car market is expected to contract sharply and when Fiat is likely to announce many thousands of lost jobs.

It remains to be seen whether Sig. Cesare Romiti, now the sole managing director of Fiat SPA, the holding company, and a career manager with no equity stake in the group, will be able to achieve a better relationship with the unions.

## Cool Sadat line on Jerusalem

BY ALAN MACKIE IN CAIRO

PRESIDENT ANWAR SADAT of Egypt has foregone an open gesture of protest at the Knesset vote on Wednesday to declare Jerusalem the eternal and undivided capital of Israel, and is contenting himself with sending a private Note to Mr. Menahem Begin, the Israeli Prime Minister.

The Note's contents will also be divulged to President Carter, and will be delivered via Israel's ambassador in Cairo, Mr. Eliahu Ben Elissar.

Mr. Sadat made his decision after meeting a special working committee headed by Vice President Hosni Mubarak and including Mr. Fuad Mohiddin, Deputy Premier, and Gen. Kamal Hasan Ali, the Foreign Minister. The committee has been set up to study all the implications and options open to the Egyptian Government as a result of the new Israeli law.

Mr. Sadat appears to have ruled out the possibility of recalling his ambassador from Tel Aviv or suspending the recently resumed Palestinian autonomy talks to protest at the Israeli move for fear of destroying the fragile momentum of the peace talks.

Dr. Boutros Ghali, Minister of State for Foreign Affairs, said in a radio interview on Thursday that the autonomy talks must go on at all costs. Mr. Begin, he was quoted as saying, had said that everything was negotiable and Egypt was taking him at his word. Dr. Boutros Ghali cut short a visit to France yesterday to take part in the consultations at home.

The first plenary session of the autonomy talks since they were resumed last month is due to start in Alexandria on Tuesday. The Egyptian side will be headed by the Foreign Minister and the Israeli team will be led by Yosef Burg, Interior Minister.

**Our Tel Aviv Correspondent** writes: The European Community's Middle East emissary, Mr. Gaston Thorn, yesterday completed a two-day visit to Israel, during which he was advised that the Community should not interfere in the Middle East peace process.

The message was delivered during talks yesterday with Yitzhak Shamir, the Israeli Foreign Minister, and earlier with Mr. Menahem Begin, the Prime Minister.

Mr. Thorn who is Foreign Minister of Luxembourg was flying home later before resuming his Middle East tour with visits to a number of Arab states.

## Singapore to have new monetary chief

By Kathryn Davies in Singapore

SINGAPORE'S SENIOR deputy Prime Minister, Dr. Goh Keng Swee, is to take over ministerial responsibility for the republic's monetary authority (MAS) from Mr. Hon Sui Sen, the present Minister of Finance. Mr. Lee Kuan Yew, the Prime Minister, has asked Dr. Goh, who as a former Finance Minister was responsible for setting up the authority in 1970, to examine ways in which Singapore's financial services can be made more sophisticated.

He is also expected to review the progress of the authority since it was set up and to encourage the promotion of younger people to key positions. He will make his recommendations to the Prime Minister within the next 18 months. Mr. Hon Sui Sen, who is 66, is understood to be anxious to retire, or at least to relinquish some of his responsibilities.

Dr. Goh's main areas of concern are not yet officially known, but the Government would like to see Singapore develop as an international fund management centre. International companies would be encouraged to list and trade their stocks and bonds there.

Institutional investors, borrowers and dealers would be encouraged to adopt Singapore as their Far Eastern base. Dr. Goh may well be looking at ways of speeding such developments.

An important aspect of Dr. Goh's work is likely to be the transformation of the monetary authority into a fully-fledged central bank, although a first step towards this objective—the amalgamation of the authority with the currency issuing body, the Board of Commissioners of Currency — is to take place within a matter of weeks.

Under its managing director, Mr. Michael Wong Pakshong, the monetary authority is widely respected by the banking community. It is unclear how or if Mr. Wong's position is affected by Dr. Goh's appointment.

### Kim Dae-Jung indicted

SEOUL — South Korea's martial law command has indicated the dissident leader Kim Dae-Jung and 23 supporters for attempting to overthrow the Government. If convicted, Kim could be executed.

The accused include an MP, Ye Chun-Ho, a dissident theologist, Moon Ik-Hwan, Professor Lee Mun-Yonng and six students. AP

## Giscard names left-wing politician as ombudsman

BY DAVID WHITE IN PARIS

PRESIDENT Valéry Giscard d'Estaing has chosen a former Left-wing opposition leader as France's next ombudsman.

The appointment of M. Robert Fabre, former head of the Left-wing Radical Movement, is the latest gesture in M. Giscard's bid to bridge the communication gap between Government and opposition.

The move has been greeted with reserve or cynicism by opposition politicians. M. Fabre's acceptance of a commission from the French President in August 1978 to draw up a report on employment problems had already led to his exclusion from his party, the smallest of the three members of the former Union of the Left.

The *post of ombudsman* or *Médiateur* was created under President Pompidou in 1973, and M. Fabre will be the third man to hold the job. His task is to intervene in disputes between the Administration and members of the public, making recommendations or proposing changes in the system.

Complaints have to be channelled through a member of the National Assembly or a Senator. Several thousand cases pass through the ombudsman's office each year.

## Venezuela forecasts $1bn deficit

VENEZUELA expects to have a current account deficit of around *$1bn this year*, much the same as in 1979, Dr. Luis Ugueto, the country's Finance Minister, said in London yesterday, Peter Montagnon writes. Dr. Ugueto was visiting Britain to sign a $1.8bn credit, the largest loan ever assembled in the Euromarkets for a Latin American borrower.

Venezuela will have a further current account deficit in 1981, the Minister added. The projections assume that oil production and exports are unchanged or only reduced slightly. At the moment, Venezuela is producing about 2.1m barrels a day of crude, of which 1.8m barrels go for export.

### Polish pay rises

Polish dissidents reported yesterday that five strikes had all ended in pay rises of about 10 per cent, Reuter reports from Warsaw. The Self-Defence Committee (KOR) said workers had downed tools in the last days of July in a big agricultural machinery plant in Woclaw and three electric parts factories in the nearby towns of Swidnica, Duszniki and Nsmyslow. Workers at a glass foundry in Walbrzych, West Poland, had also struck.

### 'Spy' detained

Police have detained a draughtsman on suspicion of spying for the Communist East German Ministry for State Security, West German authorities said yesterday, AP reports from Bonn.

## France blocks butter deal with N. Zealand

BY MARGARET VAN HATTEM IN BRUSSELS

ARRANGEMENTS for imports of New Zealand butter into the European Community, due to have come into effect yesterday, have been held up indefinitely by a last-minute French veto.

The arrangements, negotiated by the EEC Farm Commissioner, Mr. Finn Olav Gundelach, and the New Zealand Government last month and approved by all EEC Governments except, it now appears, France, would require the New Zealanders to cut back their exports by 20 per cent to 90,000 tonnes a year within the next four years. In return, they would receive a cut in the levies payable on EEC imports of farm goods, giving them an effective 30 per cent *price rise*.

France was understood to have accepted the deal when on July 20 Farm Ministers meeting in Luxembourg discussed arrangements to restrict New Zealand's exports of lamb and butter to the Community.

Although the French blocked the lamb agreement, they were understood to have accepted the *butter* arrangements for the next year, provided these could be renegotiated after 12 months. However, at a meeting of national officials earlier this week, the French refused to implement this agreement, claiming they had not accepted it in Luxembourg.

It is not clear whether an extraordinary meeting of Farm Ministers will be called during the summer recess, or whether the matter will be left until Community activities resume in September.

## £526m plan for Belgian textiles

BY GILES MERRITT IN BRUSSELS

BELGIUM'S Government is moving towards the adoption of an ambitious £500m five-year plan to save the country's textile industry.

But with the deficit on state spending continuing to grow, there remain major political obstacles to the plan's acceptance. By last month the deficit had passed the budgeted target for the whole of 1980.

The plan has been drawn up by Mr. Willy Claes, Economic Affairs Minister, and aims to minimise unemployment in the textile industry. By spending BFr 35bn (£526m) on restructuring the sector between 1980-84 it is planned to limit the industry's total workforce to 100,000 people.

That would entail the loss of 20,000 jobs, against the loss of 45,000 that Mr. Claes has predicted would occur otherwise.

The rescue scheme has been approved by the Belgian Government's Ministerial Committee for Economic Co-ordination and forwarded to a textile industry body representing employers and trade unions. But it has yet to be accepted by a full Cabinet meeting.

The urgent need for such a plan has been emphasised this week, by the worker occupation of one of Belgium's major textile companies, Fabelta-Tubize, the loss-making synthetic fibres producer, has been occupied by a number of militant employees in protest against threatened closure.

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# UK NEWS

## Government may extend short-time compensation

BY RHYS DAVID

FURTHER extension of the *short-time* working compensation scheme, to help industry hold on to labour during the recession, now seems likely to be approved by the Government.

This was hinted by Sir Peter Carey, Permanent Secretary at the Department of Industry, on a two-day visit to the North West this week. But, Sir Peter said this was a personal view.

The scheme enables employers to claim back part of the wages paid to workers who would otherwise be redundant. It replaced temporary employment subsidy in April last year, and has been extended until April next year.

The Government is being pressed by the textiles industry to make an early aooouncement of a further extension and to improve the scheme's terms. The British Textile Employers Association, which met Sir Peter, is pressing for the period of eligibility to be extended from six months to one year. It wants compaoies which have already received aid to be allowed to take part again.

The Department of Employment, which administers the scheme, will be reviewing it in the autumn, It seems possible that it will decide then to extend the scheme. Unlike the temporary employment subsidy the plan is approved by the European Commission.

Textile employers told Sir Peter that total employment in the Lancashire textile sector had falleo by 10 per cent from 63,530 to 57,970 in January to May this year. A further substantial loss was currently taking place.

Altogether 20 mills have closed this year and workers at a further 32 are now working out their 90-day notice.

Aid under the sbort-time working compensation scheme had beeo needed to cover no fewer than 41,000 jobs in Lancashire textiles which would otherwise have heen lost up to the end of Juoe this year.

A similar appeal for the short-time scheme to be extended has been made by the clothing industry where it is estimated that 70,000 to 80,000 workers are now on a reduced week.

Mr. Gerald French, director of the Clothing Industries Association has told MPs that many of those covered by the short-time scheme will be comiog to the end of their six-month *period of eligibility*. They face the prospect of joiniog the 18,000 clothing workers who have already lost their jobs io tha past 10 months.

## A time for change in telecommunications

### Jason Crisp describes an investment challenge and Michael Donne looks at the man to face it

MR. GEORGE JEFFERSON, who takes up the post of chairman of British Telecom on September 1, rcody for the splitting of the Post Office Into two, will he in charge of ooc of Britain's biggest and festest growing businesses.

His job will be one of the hardest, most complicated and *frustrating and will be highly* exposed to public criticism. And he is to begin lt at a crucial time, not just for British Telecom as a new independent organisation bnt for the UK communications business as it seeks to keep pace with the *worldwide* informatioo explosion.

He is about to inherit an immediate short-term problem of serious hottlenecks in the supply of equipment to business customers, and he will have to prepare British Telecom to face a relaxatioo of the telecommunication monopoly.

Irooically, the reason for the joh being vacant was *demonstrated* by *the Post* Office's announcement this week of a second major price locrease ln the space of 10 months in order to fioance its massive modernisation and expansion plans.

Sir William Barlow, tho current chairman of the Post Office, annouoced his resignatioo in April, with two years of his five-year contract to run. He had been widely expected to take the chairmansbip of the telecommunications side of the husiness after the split.

British Telecom has plans to spend £1,500m a year to 1985 on the modernisation and expanslon of the network hy replacing old electromechanical exchanges with new electronic onea as well as replacing eahles

Even after this week's price rise Mr. Jefferson may face loog-term prohlems over the financing of the modernisation of the network similar to those faced hy Sir William.

In addition to its capital expenditure plan, the Post Office has just settled a larger than expected pay increase of 23 per cent with its 146,000 engineering staff which, in a whole year, will add abont £150m to its costs. And last year, telecommnnication's probts were reduced hy £110m, as a result of the 19-week strike hy computer staff which prevented billings.

Modernisation of the telecommunications network remains British Telecom's most vital and challenging problem for two reasons. First, much of the network is old and inefficient and, second, business demands a ropid growth in high quality service.

The advances in new technologies, particularly in micro-electronics, has driven prices for computer and communication equipment down. There is strong demand *from* companies for the sort of network which can quickly link compnters, terminals, facsimile, wordprocessors *and so* on.

The Post Office has been greatly changed during Sir William's three-year tenure. Perhaps his two most tangible achievements were the Post Office's introduction of Prestel, the first operating viewdata system, and the early introdnction of System X, the new geoeration of compnter controlled digital exchanges which will eventually cover the eotire oetwork.

The process of change was set in motion by Sir William. The challeoge facing Mr. Jeffersoo will be to catch up with the communication revolutioo.

Mr. George Rowland Jefferson (left) has been a guided weapons expert for nearly 30 years. Before that he worked on the development of anti-aircraft guos.

Mr. "Jeff" Jeffersoo, aged 59, was educated at the Dartford Grammar School before hecoming an engineering apprentice at the Royal Ordoance Factory, Woolwich, in 1937. He gained a first-class hooours degree in mechanical engineering from London University in 1941.

During the Second World War be was in the Royal Army Ordnance Corps and the Royal Electrical and Mechanical Engineers.

In 1945 he joined the Ministry of Supply at Fort Halstead aod worked on anti-aircraft gun mountings. He stayed with the Ministry until 1952, when he joined the guided weapons department of English Electric Aviation.

Ha climbed the maoagement ladder at Englisb Electric Aviation to become a director in 1961. When the company became part of the new British Aircraft Corporation in the early 1960s, he became chief executive of the BAC guided weapoos division.

By 1968 he was chairman and maoaging director of BAC's guided weapons division, and a director of the main BAC board.

Oo nationalisation, in 1977, he became the chairman and chief executive of the Dynamics Group—the guided weapons and space side—of the newly-created British Aerospace.

## Courtaulds to cut 125 Coventry jobs

BY RHYS DAVID

COURTAULDS is to reduce hy *125 the number of jobs at its* Coventry-based engineering subsidiary, in a further retrenchment of its textile-related activities.

The subsidiary, which currently employs around 639, has two divisions.

One is engaged in the design of projects for the process industry, and in particular man-made fihre production, and the other in the manufacture and commissioning of new plants.

Work is carried out both for the Courtaulds group and for customers around the world.

Courtaulds said yesterday that, aa a result of the problems in the fibre industry world-wide there had been a serlous decline in the business available for the subsidiary.

It had hecome necessary to reatructure the company to *stem losses. The* main impact of the job reduction will fall on the manufacturing division and the area occupied by the company at bte Coventry site will also be reduced.

Courtaulds bas been a major supplier of fibre technology to a number of countries around the world and in particular the Comecon bloc, but it completed its last big project in the USSR, o triacetate plant, around a year ago.

No major new contracts have been obtained since.

● Moy Park, the Chicken pro-*cessing subsidiary of* Courtaulds, has acquired Kew House Farm, of Southport, an integrated chicken processing husiness *which supplies fresh* chicken products to major food retailers.

## Citroen to start UK division

Financial Times Reporter

CITROEN, part of the Peugeot SA motors group, has set up a UK division to attack a wide cross-section of the British market for engines, transmissions and hydraulic systems, as well as specialised machine tools and equipment.

Citroen Industrie UK, based at Leamington Spa, is being established as a wbolly-owned subsidiary of the British Citroen Cars company.

Its task is to market, apart from engines and transmissions, the produets of Citroen's industrial division.

These cover a wide field, including machine tools, stamping ond forging tools, welding equipment and automated warebousing equipment.

## Tax deposit supplement offer

BY OUR ECONOMICS CORRESPONDENT

AN INTEREST supplement is *to be offered on the series* of certificates of tax deposits issued by the Government from the beginning of this month.

The certificates are an interest-paying deposit available to taxpayers generally in order to make advance provision for tax payment and liabilities such as petroleum royalty.

An interest supplement of 3 per cent is to be paid in respect of the first two months of a deposit. This is in order to offer depositors a structure of interest rates which can he more closely related to those in the market at times when market rates for, say, three month deposits are higher than those for one-year deposits. This is known as a falling yield curve.

The supplement has been introduced in the series five prospectus announced at the ed of last month. It will not apply to deposlts made under the earlier series one to four.

Rates of interest applicable to deposits accepted under the new series five prospectus will be 14 per cent on those used for payment of a scheduled liability (mainly taxes). The rate of interest on deposits withdrawn for cash will be 11 per cent.

Deposits earn interest for a maximum of six years. For the first two years the interest rate ls that applying on the date of deposit. For the second two yeors, it is the rate on the second anniversary of that date and for the third period of two years, the date on the fourth anolversary.

## Nuclear economic advantage 'will increase'

BECAUSE of typographical errors, some interest charges on generating ploot were incorrect in a story under the headline nsed above yesterday. The table is printed again in full.

**CEGB ESTIMATES OF ELECTRICITY COSTS FOR STATIONS ENTERING SERVICE 1981-84**

| | Nuclear | | | Coal-fired | Oil-fired | |
|---|---|---|---|---|---|---|
| | Dungeness B | Hartlepool | Heysham I | Drax 2nd half | Littlebrook D | Ince B |
| | p/kWh | p/kWh | p/kWh | p/kWh | p/kWb | p/kWh |
| Capital charges and provision for decommissioning | 0.97 | 0.85 | 0.87 | 0.68 | 1.92 | 2.16 |
| Interest during coostruction | 0.79 | 0.57 | 0.58 | 0.45 | 1.15 | 1.42 |
| Inclusive fuel costs | 0.61 | 0.61 | 0.61 | 2.30 | 3.40 | 3.40 |
| Other costs of operation | 0.16 | 0.16 | 0.16 | 0.14 | 0.14 | 0.14 |
| Research | 0.08 | 0.08 | 0.08 | 0.01 | 0.01 | 0.01 |
| Training | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Total | 2.62 | 2.28 | 2.31 | 3.59 | 6.63 | 7.14 |

## Government resists 9% milk price rise

BY RICHARD MOONEY

PRESSURE for o 9 per ceot rise in the retail price of milk has been resisted by the Government, for the time being at least.

At the end of June the Natiooal Farmers' Uoion, the Milk Marketing Board and the Dairy Trade Federation joiotly pleaded for a 1½p a pint inerease, to take effect from August 1.

In fact, milk price rises are alwoys made on a Sunday so the effective deadline was tomorrow. However, Mr. Peter Walker, Agriculture Minister, has not seen fit to make any official response at all to the demand.

A ministry official said yesterday that Mr. Walker did not recognise the deadline but that the milk-price question was still under consideration.

He said the Minister was "well aware" of the factors involved but that he was greatly concerned about the possibility of a further price rise hastening tbe decline in UK liquid milk consumption, already running at nearly 3 per cent a year.

Producers and distributors were disappointed that no price rise was forthcoming. The NFU said delay would make the situation in the UK milk industry even worse. The Milk Board and the DTF warned that a larger rise might he oeeded to keep the industry viahle if action was delayed too loog.

The Milk Board estimated that a 1½p-a-pint increase in August would be equivalent to one of 2p a pint in October.

If the rise is delayed too long, or is not large enougb, producers and distributors could be driven out of business, the industry warned.

The general economic situation is not in the industry's favour, bowever. The Government's monetary policy depends greatly on keeping a tigbt rein on the cost of living. The milk price is an important influence on this.

A 1½p-a-pint rise would add 0.2 per cent to the retail price iodex and 0.7 per cent to the food price index.

## Motor Show rethink by De Lorean

*By John Griffiths*

DE LOREAN motor company is reconsidering a board decislon takeo earlier this *week to withdraw from the* motor show neor Birmingham in October.

The show's organisers, the *Society of Motor Manufacturers and Traders*, had already heen informed that De Lorean was withdrawing.

De Lorean said considerable effort would have beeo needed to build o version of its stainless steel two-seater for the show. This would have been an unwarranted diversioo from the main task of starting full-scale production, now more than three mnoths hehind schedule.

Leading executives of the company, whose Belfast maoufacturing plant was set np *with £56m in UK Government* aid, now feel that the international importance of the show and the need to show the public something tangible for their money, outweighs other considerations.

## 'W' suffix boosts car demand

DEMAND FOR new cars became apparent yesterday with arrival of the "W" registration.

August sales are expected to quadruple over July's level of slightly more than 42,000 — always a disproportionately poor month ahead of the new registration suffix — hut the Motor Agents' Association expects that August sales may still he 20 per cent, or more, below last year's 215,235 units.

Meanwhile, the MAA is to seek a relaxation of hire-purchase restrictions to help many distributorships and dealers left weakened hy beavy discountnig in tbe fierce battle for sales

It is to approach tbe Governmeot, in harness with the Finance Houses Association, to cut minimum deposits from ooe-third to one-quarter and to exteod the *maximum* repayment period from two to three years.

Mr. Roger Rees, MAA president, has warned that if these conditioos are not eased many dealers could go into liquidation this year.

## Goodbye to piers and pierrots

By Robin Pauley

WAVES OF disappointment spread from Soothend yesterday to engulf members of the Natiooal Piers Society and everybody else wbo has enjoyed walking out to sea without getting wet feet.

Sonthend Pier, the longest ln the world, is to close. The local council deliberated until three in the morning before finally deciding that the pier would close in September.

That woold have been the end of the season in the days when piers had pierrots and the seasons were still distinguisbable from one another.

The council will save £141,000 a year by closing the pier which was partly destroyed by fire in 1977. There used to be 90 piers around the English coastline, massive *wrought iron structures* erected by Victorians in the days when a day trip to the seaside was a journey of exeitement and adventure. Sonthend's pier was longest.

Tbe tradition continued into this century, and with the growth of rail links, trips to the seaside hecame more and more popular. East Enders would move almost in convoy to the "lungs of London"—Epping Forest and Sonthend—at the weekend.

In those days the trains from Fenchurch Street and Liverpool Street were steam trains, now moch lamented, as piers seem set to he.

Sir John Betjemen, the Poet Laureate, who led the fight to save Southend Pier, said closing it was like cutting off a limh. "A pier is the only place where you cannot be run over and yet go to sea without being seasick."

Bnt Southend Council has rejected several development schemes for the pier includlng one to turn lt into a cross-Channel ferry terminal. Another developer wanted to create a Disneyland model amusement park with a monorail.

*The 20,000 people* who signed o petition to save the pier, and thoae who packed the council chamber for the debate, are still hoping one of the plans will be accepted. The chances are not good.

## Guidelines for jury vetting announced

BY JOHN HUNT

GUIDELINES to limit jury-vetting hy police were announced in the Commons yesterday hy Sir Michael Havers, Attorney-General.

In most lnstancea the prosecution will oo longer be able to coosult Special Branch records about a juror. To do so, it will bave to obtaio the Attorney-General's permission.

Such checks will not be authorised in cases involving "strong political motives" unless a charge of terrorism is involved.

Results of checks will he sent to the Director of Public Prosecutions. He will decide wbat information to pass to prosecuting counsel. The director will keep records to enable the Attorney-General to monitor the guidelines.

The proposals did not go far enougb to satisfy the Opposition. Mr. Jeffrey Thomaa Labour's legal affairs spokesman, criticised them as "cumhersome and unwieldy" and aaid the statement gave very real cause for concern.

Later, in a debate on the prison service. Mr. William Whitelaw, Home Secretary, again urged the need for short seotences in minor cases to ameliorate overcrowding in prisons.

## Havers warns media on terrorist contacts

THE GOVERNMENT will take a tougher line in future with media which publish interviews with terrorist organisation, Sir *Michael* Havers, Attorney-General, said in the Commons yesterday.

His warning came in a sbort debate on *his* decision not to prosecute—the BBC for televising on IRA road block and for a TV interview wlth a *member of another terrorist* organisatioo.

"The conduct of the BBC staff directly lnvolved was, in my opinlon, deplorable," he said.

Tory MPs fiercely attacked the BBC for its interview with a member of the Irish National Liberatioo Army which claimed respoosibility for killiog Mr. *Airey Neave, MP*.

Mr. Ivor Stanbrook (C., Orpington) accused some BBC staff of being in "active *sympathy*" with the IRA.

Sir Michael said: "If similar incidents take place, 1 would take a stricter view of what had *happened, and* those who had participated would be on warning that, subject to the evidence and circumstances of the case, they risked criminal proceedings under the Prevention of Terrorism Act."

## Loans for tourist industry

BY JOHN HUNT

A SCHEME to provide £20m for the UK tonrist industry in low interest loans from the European Investmeot Bank was announced last night by Mr. John Nott, Trade Secretary.

This is double the £10.5m grants and loans currently provided annually by the Governmeot for British tourism.

The scbeme, which applies only to assisted areas, is intended to belp resorts having a bad season because of the recessioo.

Mr. Michael Montague, English Tourist Board chairman, said yesterday: "This is a further advance in gaining parity of treatment for the touriat industry, which is an important job creator."

Until now, the British tourist trade has been unable to draw loans on the EIB hecause it is made available in Deutschmarks and dollars and there was the risk that borrowers would lose heavily *because of fluctuation in* the exchange rate.

The Government has got round tbis difficulty by extending the Risk Guerantee Scheme so that it covers eligible tourist projects in the assisted areas.

# LABOUR NEWS

## Lorry drivers link claim to inflation

BY NICK GARNETT, LABOUR STAFF

TRANSPORT and General Workers' Union delegates representing 200,000 lorry drivers in the private baulage sector decided yesterday that pay claims for this group would be based directly on the rate of inflation.

This will almost certainly mean that employers in the Leeds and Bradford region of the Road Haulage Association, the first RHA region in the new bargaining round, will face a claim of about 20 per cent in the next few weeks.

Haulage companies bave already warned that they are in a weak position to meet any *substantial* wage claim, and that many can afford virtually nothing.

Over the past few years, lorry *drivers have* secured pay settlements very close to what they bad been seeking.

The impact of the claims, and *eventual settlements*, will have considerable repercussions for the pnblic baulage sector and for private manufacturing companies *with* their *own* lorry fleets.

Drivers operating for the nationalised sector and for private manufacturers will eventually be aeeking at least to maintoin their pay rates in relatioo to the industry's hire and reward sector.

Normally the lorry drivers, who had an average 19-20 per cent settlement last year and a 22 per cent deal after a damaging strike in 1978, fix a specific cash claim. There bad been considerable discussion about a new top rate minimum of £100 in place of tbe average of £77.

Delegates decided yesterday, however, to fix a lower claim related to the retail price index. This form of claim is also heing applied to overtime rates and allowances.

The claim also involves a 35-hour week which negotiators in some regions this year might attempt to ling to the compulsory introdnction of the tachograpb in January, 1982.

The drivers are also claiming a fifth week's holiday after five years service, paternity and compassionate leave arrangements, and some negotiators will be looking for duohle-time overtime rates for Saturdays.

## Municipal air controllers reject pay offer

By Our Labour Staff

A PAY offer to air traffic controllers at municipal airports has heen rejected by negotiators for the National and Local Government Officers' Association.

The controllers are claiming parity witb their colleagues at airports controlled by the Civil Aviation Authority.

Employers offered to extend the number of points on the controllers' pay scale, but the *union told them* that this was far below wbat it was prepared to accept.

The secretaries of the employers and union sides are discussing some of the points at iasue before the two sides meet again.

The union *argues that if* had gone some way five years ago to removing pay differentials between the 130 municipal controllers and those employed by the CAA.

Basic salaries of non-senior air traffic controllers at municipal airports on January 1 ranged from £5,784 to £7,884. The union says the comparahle salary at a CAA airport, that of air traffic control officer 2, was between £6,208 and £11,039

## Pay offer to scientists 'cannot be improved'

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT will next week confirm a refusal to offer senior Civil Service scientists a pay increase.

This is in spite of the fact that it will substantially distort internal pay relativities.

The Civil Service Department, in its evidence to an arbitration *tribunal examining this* year's pay increase for 20,000 Civil Service scientists, says it is *fully* conscious that the offer *produces* lower increases for some grades than have been received by other civil servants.

Though the overall size of the *£17.4m* offer averages 12.2 per cent, the offer to the Government's 750 senior principal scientific officers puts forward no increase at all on the present maximum rate of £15,748.

The Government does not believe it would be rigbt to depart from the rises abown due by the Independent Pay Research Unit's comparability studies just because it recognises "that substantial changes in internal relativities will flow from the offer."

The Civil Service Department, in its evidence to the tribunal, wbich sits next week, insists the system of pay research "is concerned with fair comparison witb rates in outside employment, not with percentage iocreases."

The Department, which agreed only reluctantly that the Institution of Professional Civil Servants sbould be allowed to proceed to arbitration over scientists' pay, says "amall increases are no argumeot against the validity of pay researcb."

Its evidence says the scientists' long exclusion from the pay researcb process "appears to have led to overpayment for the more senior grades and some under-payment for the most junior." The department voices its regret

The *Institution, in its* evidence to be preaented to the tribunal, says the Department's attitude and offer are regarded as unreasonable, unfair and are bitterly resented.

The union urges the tribunal to meet its full claim. Instead of freezing pay at £15,748 it should raise it hy 15.87 per cent to £18,248 to retain what the union sees as its traditional link with the administration grade's assistant secretary scale.

## Most private sector deals below 17%

By Our Industrial Editor

A SUBSTANTIAL majority of private sector wage deals were settled between 14 and 17 per cent during the 1979-80 pay rouod, wbich ended yesterday, according to the Confederation of British Induatry.

But larger public sector increases pusbed the average figure nearer 20 per cent.

Tbe figures were produced by the CBI's pay data bank, whicb bas been informed of 986 deals covering 12.8m workers.

They confirm a trend whicb has been apparent for some months.

In the private sector, 85 per cent of the 12.8m workers received rises between 11 and 20 per cent. The data hank said that most of them received between 14 and 17 per cent.

Increases of 11 to 15 per cent went to 40.7 of the workers in 44.3 of the settlements, while 16 to 20 per cent rises were received by 42 per cent of the workers in 40 per cent of the deals.

Only 10.5 per cent of the workers covered by the survey received rises of more than 21 per cent.

## Royal Assent given to Employment Bill

BY OUR LABOUR EDITOR

THE SECOND attempt in a decade by a Conservative Government to reform the trade unions hecame law last night. Royal Assant was given to the Employment Bill, which bas been one of the most controversial measures of this Parliament.

The Employment Act, 1980, gives employers more latitude for taking out civil prosecutions of trade unionists who take sympathetic industrial action, like blacking, or who join picket lines at sitea other than their own places of work.

It requires 80 per cent ballot majorities for the establishment of new closed shops, and widens the conscience clause for those who object to trade union membership. *Procedures for achieving* trade union recognition are abolished, along with statutory arbitration on claims for parity ef pay and conditions.

The unfair dismissal rules and the rules concerning maternity are loosened in the employer's favour, particularly if he is a small employer.

Public money is provided for secret hallots for the election of union officials, the starting and ending of strikes, union rule changes and union mergers.

The Government is expected to publish codes of conduct on piekeliog and the closed shop next week, which will guide industrial tribunals and the courts on cases that came before them.

Later next week, the Government will announce the dates on which the various measures are to be introduced.

Trade unionists, angered by the removal of individual workers' rigbts and by the weakening of historic immunities from actions for damages, will be deciding at the annual Trade Union Congress next month how to oppose, undermine or avoid the new measures.

The Employment Act fulfils one of the Government's central manifesto pledges, but has left many backbenchers complaining that it does not go far enough

# THE WEEK IN THE MARKETS

## Waiting and hoping for MLR

Tbe stock market bas spent the past week wondering first whether Minimum Lending Rate would be reduced, and they why it bad been left unchangad. The authorities' decision to bold the rate at 16 per cent may bave aomething to do with next week's set of hanking figures, covering the month to mid-July, which will he inflated hy tha unwinding of distortions resulting fro mthe end of the hanking corset.

Official thinking must also have been influenced by the weakness of sterling — partly the result of a recovery in the lollaar against all currencies—o nWednesday nigbt.

As the gilt-edged market, for the time being at least, bas stopped rising, those treders who have heen buying stock oo expeosively borrowed money have heen taking profits. So bave some overseas holders, if only because some contineotal banks are uowilling to ruo speculative positions over the summer boliday. A cut in MLR might just have triggered a general rush out of gilts. As it was, loog boods finished the week with relatively modest losses, while equities have been little changed.

### NatWest's sympathies

While National Westminster Bank was issulng its half-time figures on Tuesday the Confederation of Britisb Industry was publishing the results of its July Industrial Trends Survey. Both bodies are clearly deeply worried about the prospects for Britisb industry, especially for manufacturers. NetWest bumped up its specific provision for hed and doubtful debts from £10m to £47m, which meaot that despite the benefits of higher interest rates the group pushed up interim pre-tax profits only from £216m to £225m. The CBI reported that its member companies were es gloomy as anyone can remember: orders are declining, output is slumping and stocks ere high despite vigorous efforts to cut them back.

NatWest expressed sympathy at its customers' plight. Mr. Robin Leigh-Pemberton, chairman, suggested that the bank might well carry customers over a difficult period "which strict

**LONDON**

ONLOOKER

prudentiality in other circumstances would not have justified." It seems that the bank may ba unusually flexible over matters like the rolling up of interest payments.

Already this approach is hitting the bank in the profit and loss account through the bigher level of provisions, and while NatWest may not find this too inconvenient at present—after all the furore over supposedly excessive clearing bank profits—it could be a rather different matter in the next few months if interest rates fall and the full impact of recent cost rises (especially for staff) begins to be felt.

Still, NatWest's international division has performed noticeably better than the corresponding operations of Lloyds and Midland, and banking sector analysts are picking out NatWest as offering relatively good value at a time of considerable uncertainty for the sector.

### Overseas drive

The tougb worldwida competltion in the motor industry ls clearly ruhbing off on car distributors. ln the UK the sector is particularly hard pressed.

But some UK distrihutors have tied themselves io with the Japanese industry, which is currently the most successful in the world. A prime example is the overseas trader Inchcape, which has a series of Toyota concessions in the Far East and Europe and whose pre-tax profits for the year, reported this week, jumped by 60 per cent to £65.6m.

A big chunk of the profits rise can he attributed to the virtual eliminetion of the commodity loases of the previous year. Nevertheless, with the cootrihution from a single trading company in South East Asia, Inchcape Berhad, up £11m, due malnly to the Toyote relationship, the group's motor husiness now contributes 40 per cent of profits, against 29 per cent in the previons year.

With further growth to about £80m likely in the current year, the sbares moved up 16p to 432n on the figures, to produce a prospective p/e of about 9, fully-taxed.

While the Toyota franchise companies did well in the UK for Incbape the profits of lts BL-distrihutiog subsidiary, Mann Egerton, were halved. Thursday's interim figures for the Lex Service Group, sbowiog a pre-tax profits decline of a third to £7.9m, underline the difficulties of this part of the market, though Lex is to some extent insulated by its Volvo concession.

But in spite of all the evideoce of price cuttiog and smashed margins, the share rating of the UK car distributors is hardly demanding, especially es the typical 50 per cent discounts to net tangihle asset hacking must be encoraging potential predators to pull out their calculators.

Even with the projected collapse in profitability, share prices tend to be on prospective multiples of only four or five times fnlly-taxed earnings while Lex's yield of 13 per cent is nothing out of the ordinary. So, while some of the highly-geared companies face a difficult period, other stocks may see some re-rating in the not too distant future.

### Surprise package

Last week's figures from Reed International were embarrassing for all and sundry. Profits slumped from £26.5m to £11.8m, wrong-footing analysts who had heen expecting at laast £5m more. For Reed, there was a painful irony in the fact that almost 80 per cent of operating profits came from overseas, where the company bas been carrying out a wholesale programma of divestment and rationalisation.

The share price was almost unshaken hy the gloomy tidings, bowever. The journalists strike cost £12m, more than anyone (including Reed) seems to bave expected and the results from other divisions were roughly in line with forecasts. North America, with access to cheap energy, produced strong gains while the UK was hit by a decline of at least 10 per cent in corrugated packaging volume.

With the benefit of hindsight, the foreign disposals may look misjudged but they bave made Reed a more tightly structured company and have transformed the shape of the balance sheet. Furthermore, the present cost advantage of North America is hased oo ao energy differential whicb could rapidly be eroded.

Profits for the full year look set for a decline, perbaps from £100m to £80m, bot preliminary indicatioos are that Reed is not suffering too badly from the recession in the packaging industry. Stocks are already well down and de-stocking by customers has largely run its course.

### Unlucky thirty four

It is a measure of the many problems facing the engineering sector, as if engineers needed any fresb evidence, that profits from Acrow have finally slumped after 33 years of growth.

The fall had beeo foreshadowed for some time. The shares, ln fact, were the worst performer hut one in 1979 with a 51 per cent drop. Interim profits crumbled from almost £5m to £1.3m and the group blamed the CSEU strike for the major part of the shortfall. But the secood half turned out to ba even worse and Acrow made only £0.6m in the six mooths to March 31 to bring the total to just over £2m against £13.8m pre-tax and the liturgy of explanations is only too familiar.

Export margins have been crushed by the strength of sterling, a vital consideration since Acrow sells around three-fifths of its production abroad.

The dividend has heen maintained, bowever, and the yield is comfortahly in double figures. Tbe group is promising very little improvement in the first half of the current year but appears confident that "we will begin to return to a growth pattern in tha second half."

### Vantona stumbles

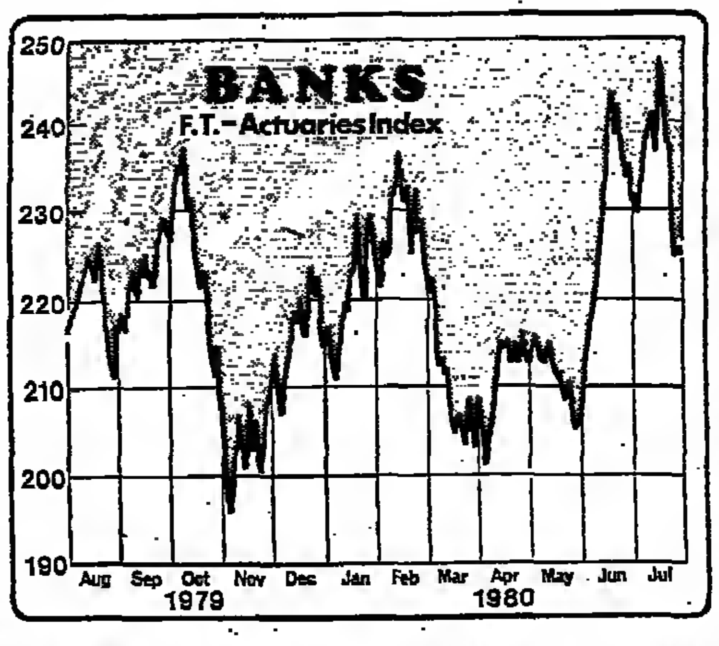
This week the Vantona Group wrote another chapter in the continuing saga of Britain's troubled textile industry. After a decade of solid profits growth the household textiles company revealed its first earnings decline, a drop of 65 per cent at the pre-tax level.

Despite the recent grim predictions made by the chairman of Courtaulds, the market was not expecting quite as serious a slump as this. Vantona sheres fell 9p on the dey of the news to 89p. Later lo the week, when Hirst end Mallinson's efforts to get clear of textiles pushed this company into loss, the market lowered Vantona's price even more aod the sbares were 12p off oo the week.

Vaotooa's headacbes are noteworthy because this is one of the more stable of the textile busioesses. The company started the year with a bealthy balance sheet, but ls now financing stocks of around £42m; its customers are also overstocked.

The group's interest expenses are up sharply, with income gearing four times higher than last year at 46.5 per cent. In the interim statement, the company started binting at a reduction of its workforce.

Nevertheless, Vantona bas maintained its interim dividend, covered 1.6 times. Given outside forecasts of a year-end drop to little more than £3m ln pre-tax profits, there are understandable concerns about the fate of the final dividend. But last year's net total cost the company £1.7m and it seems likely that it might still be able to cover a maintained final.




### MARKET HIGHLIGHTS OF THE WEEK

| | Price Y'day | Change on Week | 1980 High | 1980 Low | |
|---|---|---|---|---|---|
| F.T. Ind. Ord. Index | 487.9 | + 0.6 | 503.1 | 406.9 | Special situations foremost |
| F.T. Govt. Secs. Index | 70.78 | − 1.38 | 72.54 | 63.85 | Profit-taking/lack of fresh demand |
| F.T. Gold Mines Index | 375.8 | − 7.8 | 383.8 | 265.5 | Drop in bullion price |
| Anchor Chemical | 84 | + 12 | 88 | 60 | Small buying |
| Brady Inds. A | 47 | + 8 | 48 | 35 | Profits recovery |
| Ford (Martin) | 24 | − 7 | 37 | 24 | Annual profits warning |
| Jourdan (T.) | 71 | + 9 | 71 | 39½ | Bumper profits |
| Kayser Bondor | 98 | + 42 | 98 | 56 | Courtaulds bids 100p per share |
| Malayan Tin Dredging | 900 | +115 | 900 | 485 | Ahead of six-company merger |
| Marinex | 135 | − 18† | 153 | 135 | Disappointing debut |
| Muirhead | 138 | + 26 | 270 | 90 | Bid speculation |
| Racal Electronics | 278 | + 16 | 290 | 175 | Institutional support |
| Ricardo | 455 | + 49 | 460 | 320 | Investment demand |
| Royal Worcester | 315 | + 22 | 326 | 162 | Bid speculation |
| Strata Oil | 110 | − 18 | 164 | 12 | Profit-taking |
| Taylor Woodrow | 488 | + 35 | 491 | 315 | Interim Tuesday |
| Thorn-EMI | 342 | + 14 | 348 | 260 | Institutional support |
| Vantona | 86 | − 12 | 110 | 85 | Disappointing interim results |
| Wilkinson Match | 180 | + 20 | 180 | 105 | Agreed bid from Allegheny |
| Yarrow | 290 | + 25 | 340 | 235 | Compensation hopes |

† Based on Monday's opening.

## A house divided

**NEW YORK**

DAVID LASCELLES

THE BULLS were thundering down Wall Street this week as the market bit a new three-yaar bigh. But there is still plenty of nervousness that shares will undergo wbat analysts eupbemistically call a "technical correction," for which read "sharp downturn."

Tbese fears are based on two things: the possibility that the market has gone too far too fast, and growing worries about a new inflation spiral.

In fact, Wall Street could bardly he more divided at the moment about whether this is the moment to buy aggressively or get out while the going is good.

Merrill Lynch, the giant of the hrokerage business, demonstreted its immense muscle on Thursday afternoon hy moving the market no less than nine points in less than half an hour with a recommendation to its 2m clients to "buy aggressively." The Dow was off nearly ten points at 3.30 pm. But it closed down a mere fraction after Merrill's recommendation became known at 3.35 pm.

Merrill's advice was hased on its reading of its "25 vital signs" which are apparently looking their best since 1977. Bnt then consider the advice put out by Bostian Associates, an aggressive little brokerage bouse which claims that its vital indicators signal a looming crash. Bostian this week advised its clients that it was selling out the 50 stocks in its model portfolio.

But for investors less interested in what the antrail-readers have to say, thare was plenty to worry ahout on the economic front.

On tha face of it, things are looking up. The index of leading economic indicators which came out on Wednesday showed a sharp 2.5 per cent gain, its first in a year and its largest since 1975 when the U.S. was pulling out of its previous recession.

The index, which is supposed to give advance warning of economic trends, thus seems to be signalling a recovery, which is good news for profits and stocks.

But the credit markets, whlch teod to read things somewhat more subtly, took a quite different view. Bond prices sagged on tha news, and interest rates soared. The feeling there is that the recovery will be premature, and that the recession will not have had time to knock the stuffing out of inflation.

If so, the economy will re-emerge with inflation and interest rates at unacceptably high levels, whicb is bad news in the long term.

The only hope, as the credit markets see it, is for a continuation of the Fed's tight monetary policy. But though Mr. Paul Volcker, the Fed chairman, reiterated his commitment to this course in Congressional testimony last week, the Fed's activities in the money markets in the past three weeks have been even more mysterious than usual, and nobody can tell wbether it is trying to tighten credit in order to restrain the recovery, or loosen it in order to get things moving.

A symptom of the uncertainty was Citibank's decision yesterday to bold its prime rate at 11 per cent for a second week, instead of following other big banks down to 10¾ per cent. In fact, there is a growing feeling that the prime may even have hit bottom for the time being.

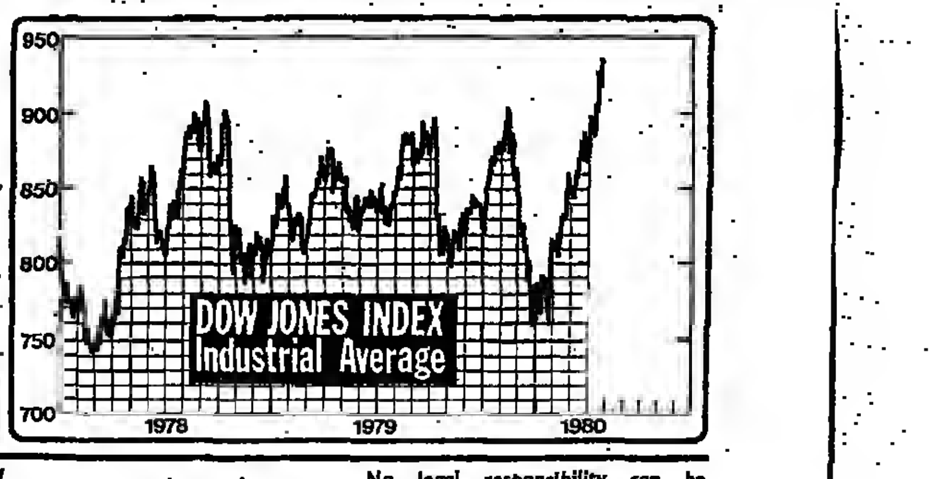
There was a lot of big corporate news during the week, though none of it came as a great surprise. Ford posted a second quarter loss of $468m, and Chrysler waded in a loss of $536m, meaning that Detroit's Big Three piled up a record deficit of $1.5bn for the quarter, including GM's loss the week befora.

Pan Am hit a record of a different kind: it announced the sale of its famous Park Avenue headquarters for $400m, the most ever paid for a bunk of real estate.

Pan Am, which plans to stay in the building as a tenant, said it wanted to increase its cash flow. On Tuesday, tha day of announcement, Pan Am shares topped the active list and gained a fraction.

The gainers are generally industrial and manufacturing stocks, along with other depressed setcors like housing and wood products which expect to profit most from the economic recovery.

| | | |
|---|---|---|
| MONDAY | 925.43 | +7.34 |
| TUESDAY | 931.91 | +6.48 |
| WEDNESDAY | 936.18 | +4.27 |
| THURSDAY | 935.32 | −0.86 |




## Singing in the rain

**MINING**

KENNETH MARSTON

WHEN THE rain teems down and the summer wind is unseasonably cool, the man who is looking forward to bis holiday takes comfort in the hope that wben the time comes the weather will bave taken a turn for the better.

This doesn't always happen, of course—especially this summer—but hope is horne out of poor times and our potential boliday man would probably rather have poor weather in froot of his holiday than face the chances of cloudless skies waiting oo his pleasure.

It is much the same in the miniog industry—a collectioo of optimists, if ever there was one—which has to plan far ahead; a veoture started today will not reach the productioo end marketing stage for anything up to ahont seven years.

The eventual revival in demand for metals will strain existing capacity, metal prices which are below the level needed to support new mining operations will have to rise and good metal deposits in the ground shonld therefore be an inflation-proof asset for the future. It is a view shared by the oil companies.

Comfort in these thougbts may he taken hy Canada's Inco, the world's leading producer of nickel which has suffered a sharp fall in second quarter earnings and is to reduce nickel productioo until the market revives.

Inco's unsold nickel stocks alone are worth some US$364m (£153m) and the company could be a tempting take-over target for one of the oil giants eager to enter the mining scene.

But this intriguing thought has to be tempered by the fact that the current market price of the common sbares still values the company at over C$2.25bn (£825m) and because of political considerations it seems that only Canadian companies could apply.

In this country, however, Hampton Gold Mining Areas has bad to ward off take-over approeches and at the moment Mr. Ferguson Lacey's National Carbonising has a stake of 25.6 per cent in the company. Hampton Areas has a basic important income in royalties hased on the value of part of the nickel produced in Western Australia by Western Mining.

From this spriogboard Hampton Areas acquired the Wultex miniog machinery group which made a profit last year despite the UK engineering and steel industry strikes, moved into profitable coal operations and, more excitingly, took a stake in North Sea oil and gas exploration which looks like paying off well.

In fact, this week Mr. Jim Ley, the chairman, has anticipated another good year and has said that the company "may now he on the threshold of joining the small group of UK independent oil companies which have been successful in the North Sea."

The best example this week, however, of a mining company planning for the future has come from Australia's Western Mining. The latest quarterly report has given news of increasing gold production and intriguing exploration results. But gold is only a small part of the story.

What really counts for the future is the group's expertise in developing with partners its major hase-metal prospects. And the biggest of thase is the Olympic Dem copper-uranium prospect at Roxby Downs ln South Australia where the partner is BP Australia with a stake of 49 per cent.

Latest drilling at Olympic Dam has cut more massive mineralisation with one hole intesecting a thickness of no less than 146 metres assaying a good 3.25 per cent copper. Like Hampton Areas, shares of Western Mining yield little more than one per cent, hut they should do far hetter in the long run than many of the low-priced exploration hopefuls whicb can rise like a rocket, only to fall to ground as swiftly.

### Tin shares rise

Normally a quiet neck of the woods, the market in Far Eastern tin mining shares has produced one or two spectacular rises this week. Malayan Tin Dredging bave advanced 115p to 900p. Sonthern Malayan 90p to 625p and Sonthern Kinta 40p to 360p. These companies together with Kramat, Lower Perak and the unlisted Bidor Malaya are about to merge into an enlarged Malayao Tin Dredging.

Shares in MTD are heing offered in exchange for those in the other companies and the closing date for acceptance is on Monday. Dealings in the existing shares of the compenies will he suspended oo August 14 for the necessary exchange of share certificates to be carried out.

At e later date dealings will he resumed in the enlarged MTD—the groupiog is respoosible for some 14 per cent of Malaysia's tin production—and advantages of the merger ioclude the pooliog of resources, greater flexibility of operations and a strong company with a long mining life.

The plan makes sense and it has stimulated a good demand from share buyers in the Far East. However, these huyers are also anticipating a demend for shares in the enlarged MTD from the Bumiputra companies, Malaysian concerns in which the ownership is exclusively confined to ethnic Malays as opposed to the Chinese and other groups.

Broadly speaking Malaysia wants to see at least 30 per cent of the country's resources in the hands of Bumlputras, laaving a further 40 per cent to a comhination of Malsysian aod Chinese investors and the remaining 30 per cent to foreigners which inclnde people in Singapore.

Although the price of tin is at a very satisfactory level for the producers, the cbances of any further rise in the near term are checked by the present balance between supply and demend coopled with the releases being made from the U.S. stockpile. In the longer term, however, tin could he in a strong position because there seams little likelihood of any major increase in world production.

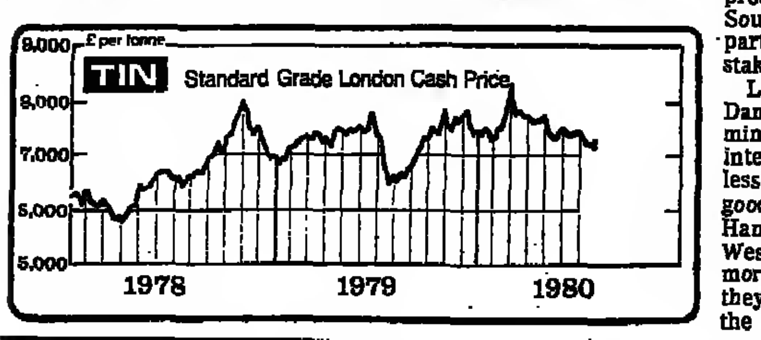
Whether all this points to the anticipated big demand from the Bumiputras and others for the new MTD shares remains to be seen. But from a UK shareholdar's point of view the sbare prices of the companies in the merger plan now look to be very mucb on the bigh alde and sucb holders now bave little say in the companies' management.

It might thus be time to play safe and sell the sheres, especially where good profits are there for the taking. There are plenty of opportunities for other investment in the mining field, but for those who wish to stay with tin, a possibility to he considered Is Gopeng which Is still controlled from London.

### TIN OUTPUTS COMPARED

| | June, 1980 tonnes | May, 1980 tonnes | Total to date tonnes | (mooths) | Same period previous year tonnes |
|---|---|---|---|---|---|
| Amal. of Nigeria (tin) | 129 | 150 | 428 | (3) | 443 |
| Amal. of Nigeria (columbite) | 23 | 25 | 64 | (3) | 47 |
| Aokam | 99 | 145 | 1,745 | (12) | 1,439 |
| Ayer Hitam | 182 | 162 | 1,886 | (12) | 2,291 |
| Berjuntai | 294 | 297 | 591 | (2) | 626 |
| Bisichi Jantar (tin) | 18½ | 18¾ | 138¾ | (6) | 150½ |
| Bisichi Jantar (columbite) | 24 | 25½ | 166 | (6) | 194 |
| CRM Sri Timah | 57 | 60½ | 500½ | (6) | 466¾ |
| Ex Lands Nigeria | ¶ | ¶ | 102 | (4) | 108 |
| Geevor‡ | 82 | 90 | 264 | (3) | 278 |
| Gold and Base (tin) | ¶ | ¶ | 76 | (3) | 76 |
| Gopeng | 162¾ | 144½ | 1,441½ | (9) | 1,441½ |
| Idris | 15¾ | 18 | 105¼ | (6) | 136¾ |
| Kamuoting | 2 | 6 | 20 | (3) | 160 |
| Killinghall | ¶ | ¶ | 190½ | (6) | 194¾ |
| Kinta Kellas | ¶ | 29 | 55¼ | (2) | 60¼ |
| Kuala Kampar | 24 | 22 | 74 | (3) | 63 |
| Lower Perak | 22 | 23 | 45 | (2) | 31 |
| Malayan | 249 | 205 | 3,317 | (12) | 3,268 |
| Pahang | 97 | 91 | 1,152 | (9) | 1,092 |
| Pengkalen | 12 | 14½ | 132¾ | (9) | 145¼ |
| Petaling | 133 | 152½ | 854¼ | (6) | 779 |
| Rahman | 122 | 121 | 977 | (12) | 837 |
| St. Piran—Far East | 12 | 17 | 54 | (3) | 14 |
| St. Piran—UK (South Crofty) | 196 | 169 | 525 | (3) | 554 |
| St. Piran—Thailand | 71 | 78 | 214 | (3) | 241 |
| Southern Kinta | 98 | 116 | 317 | (3) | 422 |
| Southern Malayan | 183 | 147 | 2,107 | (12) | 2,328 |
| Sungei Besi | 116 | 117 | 341 | (3) | 494 |
| Tanjong | 26¼ | 25½ | 123¼ | (6) | 89¼ |
| Tongkah Harbonr | 27 | 12 | 383 | (12) | 605 |
| Tronoh | 127 | 135 | 788 | (6) | 1,056 |

‡ Figures Include low-grade material. ¶ Not yet availeble. Outputs are shown in metric tonnes of tin concentrates.






## No squatters' rights

BY OUR LEGAL STAFF

**FINANCE AND THE FAMILY**

My children have heen living hy themselves in my hoose for just over 12 years. Meantime, I have heen in lodgings. Have they acquired a title by "squatters' rights?" Please, if so what can I do?

No: the children will not have acquired e title unless they either went into the house or remained there without your consent. If you have once required them to leave and they have refused, the 12 years' period will start to run. If you want to preserve your position you should serve them with notice terminating their licence and givlog them a reasonahle time, say six mooths or a year, to vacate. You would be wise to consult a solicitor before doing so.

### Definition of a boundary

In 1972 we purchased a plot of land on which we built a bungalow (oor present home). There was some difficnlty at the time in defining the west side boundary doe to the row of houses whicb onca stood there being very old. The vendors solicitor obtalned a signed letter from the owner's son stating where the boundary sbould he and this was agreed and was shown on our deeds. The solicitor who acted for the vendor in selling us the land is now acting for the owner of adjacent premises and clalming part of our back garden heck. Our nelghbour has In fact registered the land as bis. Our solicitor, who is the same one as ected for us In buylng the land, bas written and phoned the other sollcitor several times but is nnable to get any reply. This has now been going on for over 12 months and there is no sign of any forther action taking place. What can we do?

If you cannot now ohtain some written confirmation of the position which was agreed in 1972 your only course is to apply to a court (probably tha Couoty Court) to determine the matter. You should ask your solicitor to advise you as to this. At least your vendor would be stopped from now asserting a houndary other than the ooe he agreed in 1972; and there may also he authority which assists you to be found in the case of Willson v. Graene (1971) 1WLR 635.

### Capricious clerk of court

It has hecome apparent that the Clerk to the Justices at the Magistrates' Court at which my daughter's maintenance order is registered, is acting capriciously in respect of the monthly payments which should be made. Payments were held np for seven months at the outset since when a further payment has been denied to my daughter as not due and a letter of protest ignored. Where and how can my daughter seek redress please?

If you are dlssatisfied with the conduct of the staff of e Magistrates Court, your complaint should be addressed to the Lord Chancellor's Department, which regulates the administration of tha court system.

### Survivorship and an Estate

I refer to your reply (July 5) to the qnery as to the effects of snrvivorship in connection with a deceased's estate.

Would your answer to the first question he different if the whole of the estate of a deceased person were held jointly with a surviving person who is not a spouse?

If your answer would be different, because the exemptions for spouses are not availahle for non-spouses, would the house In which both were llving be valned at death of the first at open market valne as if empty, or at markqet value with the survivor in occupation and remaining so under the Landlord and Tenant Act? Wonld yon kindly let me know what is your anthority for stating that the surviving spouse must submit an Account to the Capital Taxes Office?

There is no direct obligation to submit an account, as paragraph 2 of the 4th Schedule to the Finance Act 1975 applles to personal representatives only. But paragraph 20 of that Schedule imposes e charge on the land for unpaid tax, so that there is a practical reason for submitting an account. There is no need to follow this course where no tax is payable. The fiscal consequences are, of course, differeot where the joint tenants were not spouses. Valuation would be on an open market basis.

### Ownership of leaves

There are a number of sycamore trees on the property adjoining my own, which shed a large quantity of leaves on my garden, which I have had to collect and dispose of. Can I regard these leaves as belonging to the owner of the adjoining property, so justifying me in collecting them and depositing them on my neighbour's land?

We think that the technical position at law is as you state. The leaves helong to the owner of the trees.

### Confirming rateable value

On August 10, 1979, I moved into my present house. On March 7, 1980, the district valuer officially informed me that he had "proposed" to the city council that the rating valnation of this house sbould be increased hy approximately 75 per eent. I put in my formal objection forthwith and am awaiting the hearing hefore the trihunal. I have regularly paid all rates bills until now. I have now received a hill for rates on the new proposed valuation with effect from August 10, 1979. This I have qneried with the city treasurer, who informs me that "It is the practice of this anthority to collect the general rate In full, based upon proposed assessments made by the district valuer and valuation officer." Is it in order for me to he charged these increased retes while the "proposal" and my objection to it have not yet been heard and decided npon by the trihunal?

If the property alresdy appeared in the rating list et the commencement of the reting year (April 1, 1980) the rate ia leviable on the value at which It was shown and not on any proposed value which has not yet been confirmed by the trihunal. We think therefore that the city's practice is unwarranted and that you need only pay the rate at the lewer level until such time as any new rateable value is confirmed.

### A spreading cherry tree

In my neighbour's garden is a wild cherry tree, whose roots penetrate right against the foundations of my house, go through the length of my front lawn and have thrown np a sucker in tbe lawn. Have I a statutory right to compel the removal of this tree, pleasa?

As we read the Local Government (Miscellaneous Provisions) Act, 1976, the council may give an order on tha lines you require, but is not compelled to do so. Your course appears to be to try to persuade the council to take action, or if you fail, to cut the root yourself. If the tree causes damage to your property you have an action against your neighbour.

### Adopted child an issue

By my will I have left my wife a life interest in my estate, with remainder to my two sons and to their issue if one or other should predecease her. The word "issue" now concerns me as one of my sons has adopted two children. What would be their position?

Under the modern rule the adopted children of your son would take as issue. If it is not intended that they should qualify to take in their father's stead the will would require to be amended by codicil.

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

# YOUR SAVINGS AND INVESTMENTS

**Anatole Kaletsky** looks at the financial problems of Britain's state-industries

## The losses you are bearing

HOUSEHOLDERS who aaw Mrs. Thatcher as their anti-inflationary champion must feel astounded, not to say betrayed, by the recent rises in the priees of state industry services.

The average house's pbone bill will rise by 22 per cent between now and November. Electricity went up by 10 per cent yesterday, after a 17 per cent rise in April. Gas prices are set to rise in November by 10 per cent more than the then rate of inflation.

It is a grim irony that these rises are all the reault of the supposedly anti-inflationary discipline which the Conservatives are imposing upon state eoterprises.

The Government, baving spent much of its time in opposition condemning the state corporations as unproductive albatrosses, baa now based an important part of its economic strategy on the assumption that nationalised industry can produce comfortable profits. In fact, they have been as hard bit by the recession as the private sector.

Only the oil and gas industries, whose "profits" are in fact akin to Indirect taxes or monopoly rents, bave managed to withstand the recessionary pressures. All the other major state corporations have snffered declines in profitability even in money terms, aince 1978-79. In highly capital intensive businesses like the state corporations, the historic cost profits which most of the industries atill publish have very little significance, but supplementary inflation-adjusted statements, wbere they appear, confirm and emphasise the picture of sbarply declining profits and, in the "lame ducks," rapidly growing losses.

Against this gloomy background, the Government's hopes of reducing the nationalised industries' borrowings to £2.2bn during the current year, seem unlikely to be fulfilled. The Treasury's longer-term plans for turning the nationalised industries into net contributors of £400m to the Government's own financial needs by 1983-84, were described this week as "implausible," "hazardous" and "imprudeot" by membera of the Nationalised Industries' Chairmen's Groups who were giving evidence to the Commons Select Committee on the Treasury. Their forebodings seem to be amply justified by the experience of 1979-80 and by the forecasts for the current year coming from several of the corporations.

The problems and prospects of the different Industries are as varied as their products. Two businesses more different than British Gas and British Steel would be hard to imagine. In fact the case for moving away from the nolion of a single group of nationalised industries, subject to the same financial rules and general principles of government supervision, is becoming overwhelming as the fortunes and performances of the industries move farther apart. The latest batch of results separates the industries clearly into at least three groups.

First, there are the out-and-out lame ducks. In fact, tbis week's annual reports from British Steel and British Shipbuilders suggest that it would be more accurate to describe them as "dead ducks." Both Corporations will not be able to continue trading unless the Government revises the external financing cash limits, which it set last November and confirmed in this year's Budget.

The Government's instruction that British Steel break even during the current year did not aeem credible even before the abrupt decline in economic activity and the steel strike, which accounted for £200m of BSG's £545m operating loss, put paid to the industry's recovery prospects.

Britisb Sbipbuilders did better than expected in attracting new orders—it bas enough work to keep the "core yards" busy well into 1981. But it failed by £9.9m to meet the Government's target of keeping trading losses down to £100m. The prospects of keeping losses down to the Government-directed £35m for 1980-81 are minimal.

This is why BS expects to exceed its external financing cash limit of around £120m by around £60m. Between them, BSC and BS look like adding well over £500m to the nationalised industries' forecast borrowing requirements.

In contrast to the lame ducks, the second group of industries bave spectacular profitability and growth prospects and should have no difficulty in meetiog the Government's financial targets.

British Gas has increased its current cost operating profit from £443m to £466m. Historic cost profits are now £702m. The Post Office has had to delay its results announcement, because of the continuing effect of last year's billing strike. But there appears to be no doubt that the telecommunications side will meet its medium term target of a 5 per cent current cost return on assets. BNOC's profits—a modest £137m in 1979-80—are likely to approach £1bn by the middle of the decade.

However, even these thriving Industries are at the moment subjected to a system of external financing limits, which requires them to stay within rigid cash-flow forecasts that would be more appropriate to companiea in receivership. Partly as a result of inadequate cash flow, British Telecom has been forced to cut investment from £1.7bn to £1.5bn and to raise cbarges for tbe second time this year, to a level 30 per cent above that of last year.

Big price increases have also been aonounced by the electricity industry, which this year failed to meet its target of a 10 per cent return on historic costs and greatly exceeded the cash limit set last June, largely as a result of excess coal stockbuilding in anticipation of a cold winter, a continuing high level of iodustrial demand and, perhaps, a miners' strike, none of which materialised.

The Coal Board has suffered even more from the start of the recession and haa found it impossible to raise prices or profitability, despite continuing improvements in productivity. The same story emerges from British Airways and many of the smaller industries. Unless there is a near-miraculous improvement in the prospects for economic growth in Britain and the world during the next few years, the nationalised industries as a whole will have to go on running very hard just to stand still. And their customer's will have to pay dearly for them to catch up with the Treasury's expectations.

Between these two obviously distinct groups, there is a large grey area, occupied by most of the nationalised industries, which have a reasonable record of success in meeting their medium-term financial targets but, in most cases do not have the resources or the prospects to stand on their own feet at present. British Rail will continue to require large subsidies from the Government because of tbe intrinsic ecooomics of rail transport.

So far it has just managed to live within the steadily reduciog cash limits it has been set. However, the depth of the recession makes it quite likely that it will be unable to repeat the performance during 1980-81. At the very least further substantial fare increases will be required for it to stay oo target.

## Home sweet home again

THERE WAS good news this week for older homeowners on low incomes. After three years of lobbying, the Government bas acceded to demands that the option mortgage scheme should be extended to home income plans.

For many elderly persons, their chief asset is the bouse in which they live. Its value is constantly rising in line with inflation, yet it produces no income.

Many elderly investors need to supplement their Income from their investments. The home income scheme was designed to unlock the potential of the honse as an asset and to provide bome owners with income, while they still retain possession of the house.

Under this scheme, the houseowner takes out a mortgage on his house from a life company and uses the money to buy an annuity. After paying off the mortgage interest, the balance of the annuity payments provides the income.

Under a special concession in the 1975 Finance Act, the mortgage interest qualifies for tax relief. Only the interest content of the annuity is subject to tax.

The efficiency of the scheme depends as much on the tax relief on interest payments as on the annuity rates. So the scheme in its current form does not offer much to non-taxpayers. But because there is no other means of getting income from the house and still retaining possession many people not paying tax bave still taken out such a scheme on the "half a loaf" principle.

The solution, for which tbe life companies in this field have been pressing, is to extend the option mortgage scheme to these plans. This scheme was arranged to help low taxpayers buy their own houses by subsidising tbe interest paid on mortgages. This week Mr. John Stanley, tbe Housing Minister, promised that option mortgages will apply to home income plans.

This means that non-taxpayers taking out such a scheme will have the mortgage interest subsidised. For instance, Hambro Provident, a leading company in this field, charges 8 per cent on mortgages on these plans, with the annuity rate also calculated on a correspondingly low rate of interest.

With the option mortgage, the investor will receive a 2.05 per cent subsidy, so tbat he will pay 5.95 per ceot on the mortgage.

Investors with bome income plans will now bave to decide wbetber it is more advantageous to elect for the option mortgage or use a normal scheme. It will depeod on their tax position.

But they do not have to decide Immediately. It is expected to be some time before this concession can be implemented.

**Eric Short**

## After the years of waiting

**RHODESIA BONDS**

ERIC SHORT

THE 15 years of waiting are over for the holders of Southern Rhodesian sterling bonds, who have not received one penny of interest or repayment since UDI in November 1965.

The anxiously awaited terma of settlement were announced yesterday and bondboldera will be receiving their first cash payment at the end of September.

The terms of repayment, not surprisingly, are somewbat complex, involving arrears of interest on all 12 stocks and maturity payments on eight of the bonds. The situation is further complicated by the Inland Revenue's tax treatment of the settlement payments.

All arrears of interest on all the stocks and the outstanding repayments on the stocks that sbould have been redeemed are being paid off over the next eight years. In addition, the settlement gives bondholders some compensation for the years of waiting by allowing interest on the maturity money, but not on the interest arrears.

Holders of the matured bonds will receive 14½ per cent of their entitlement in a casb payment at the end of September and a further 1½ per cent at the end of April. The Revenue is regarding these payments as part repayments of capital and treated as part disposals for Capital Gains Tax.

The remaining 84 per cent of the entitlement is to be paid in the form of an annuity over eight years. This will consist of equal half-yearly payments involving interest payments on the outstanding capital and repayment of the capital — similar to a building society payment in reverse. The interest portion will be subject to income tax, but there will be no CGT.

On stocks still to mature, the interest arrears will be paid as above in two casb payments plus an eight-year annuity. Thus these will incur income tax. The interest payments will be resumed in 1981 and the capital will be repaid in the normal manner.

So holders of the 6½ per cent stock 1978-81 will have their capital repaid next year, even though the interest arrears payments will continue until 1988.

These arrangements give rise to an anomoly in settlement terms. Holders of the current stocks will receive the capital payments on the due dates, while holders of the matured stocks will bave their capital repaid spread over the eight years. But considering the complexity of the settlemeot it is difficult to see any other solution.

Mr. Michael Cough, director of the Council of Foreign Bondholders, is satisfied and strongly recommends bondholders to accept. Indeed, they bave no choice, since there is no alternative listed in the agreement. The terms are as good as coold be expected given the circumstances surrounding these bonds, although the Inland Revenue could have been more sympathetic.

The formal offer documents, with Forms of Assent, will be dispatched shortly.





### LINKED FUNDS (growth over 5 years to July 1st, 1980)

| EQUITY FUNDS COMPANY | % rise | PROPERTY BONDS COMPANY | % rise | MANAGED FUNDS COMPANY | % rise |
|---|---|---|---|---|---|
| Confederation Life Equity | 172.2 | Abbey Property | 116.7 | New Ireland Evergreen* | 141.4 |
| Langham Life Midas Ac. | 137.2 | Property Growth Agricultural | 109.2 | Irish Life Managed | 116.8 |
| Vanbrugh Equity | 134.0 | Merchant Investors Property | 109.2 | Royal Shield Units | 111.3 |
| Provident Life Unit | 131.9 | Irish Life Prop. Modules | 108.8 | Norwich Managed | 104.8 |
| Norwich Equity | 123.5 | New Ireland Property* | 108.2 | Life & Equity 1st Select | 102.0 |
| Walfare Capital Growth | 119.5 | Schroder Property | 105.1 | Confederation Life Managed | 100.5 |
| Scottish Mutual Units | 112.2 | Reliance Property | 102.7 | Hambro Managed | 92.2 |
| Imperial Life Growth | 107.8 | Westminster Property | 97.5 | Abbey Selective | 90.0 |
| Hambro Life Equity | 98.4 | Trident Property | 87.9 | Vanbrugh Managed | 89.5 |
| Cannon Equity | 97.5 | Hambro Life Property | 86.4 | Crescent Planned Investment | 88.2 |

* Available only in the Republic of Ireland.

*Source: Planned Savings*

## Covered wagons

**INSURANCE**

JOHN PHILIP

HOLIDAY traffic means more caravans on tow and as a frustrated non-caravanner, I have often wished there was some way of keeping them off the roads at peak times.

But if you intend to take a caravan on holiday, obviously some extra caution is necessary when driving—and you should, before you set out, check that your motor insurance policy affords third party cover while you are towing.

The great majority of policies do provide cover—for the simple reason that cover is not excluded: but if you have any specially restricted motor policy . . . be careful, check with insurers.

This word of warning is necessary because the normal caravan Insurance, whether provided under a special policy or as an extension to a home insurance, affords legal liability cover at all times except when the caravan is attached on tow to a motor vehicle.

Incidentally, if a caravan becomes accidentally detached from its towing vehicle, arguments do sometimes arise between car and caravan insurers as to who should deal with any liability claim arising from Injury or damage dooe by the caravan.

The properly insured policyholder cannot, of course, fall between two insurance stools—one or other insurer must deal with the claim, and sometimes both will share. Generally, insurers reckon that the motor policy should deal with any liability claims arising out of accidental detachment.

While the motor policy covers liability arising from the towing of a caravan it does not cover loss of or damage to the caravan or its contents, and separate insurance is required.

This can be obtained under a special caravan policy, or as part of ooe's bome Insurance: by number the companles are split roughly 50/50 in the way they provide cover. If anything the major composites tend not to offer separate insurance, and often provide caravan cover only for those policyholders insuring household contents, as as distinct from buildings.

When buying caravan cover for the first time it is as well to check what your home contents insurers will do: if an extension is available then it will probably be worth having, from tbe premium point of view.

If you buy a separate caravan policy, wbatever the premlum predicated by insurers' rate applicable to sum insured, you will have to pay a minimum premium, and this may be as much as £15.

Whichever way the insurance is arranged, normally insurers provide cover against accidental damage, fire and theft td the caravan: they may also build up the range of perils insured to compare favourably with the many risks cuvered by the average bome buildings policy.

But caravans, even on fixed sites, are more susceptible to weather damage than are brick built homes. Most insurers apply an excess in the £5-£25 bracket to eliminate small damage claims, and a number increase that excess for weather.

Most insurers provide cover on an indemnity basis—that is to say they meet the repair bills that are presented. But a few Insurers, in case of total loss, pay for a new replacent if the caravan is less than a year old and the sum insured is adequate.

By definition the caravan includes fixtures and fittings, but not the household goods and other personal effects that it contains: policies usually include a separate personal effects section—with its own small excess, and more often than not with a single article financial limit. The majority of insurers opt for £50 or £100, but it is possible to get this limit removed for specified articles of greater value.

Insurers also provide loss of use cover so that if the caravan is damaged and unusable the policyholder can get a modicum of compensation. Sometimes the rate of compensation is fixed on a daily basis with a maximum of £5 a day, and usually there is a limit to the total amount of loss of use insurers will pay—in the £100-£150 range.

Premium is charged at a rate on the sum insured normally around £1 per cent on the caravan, and rather more, £1.25 to £1.50 per cent, on personal effects. This is the kind of price insurers require for a caravan that is not semi permanently or completely on a fixed site.

## The £750m question

**MANAGED FUNDS**

TIM DICKSON

WELL OVER £750m is beld in life company managed funds, one of the most popular mediums for regular savers over the past 10 years. Only property bonds rival the managed funds in weight of money, with the specialist equity, fixed interest and casb funds well down the field.

The explanation for this lies in the obvious appeal of the managed fund concept. By keeping their options open, managers can both spread the risk an take advantage of movements in different forms of investment by altering the balance of their portfolios.

Undoubtedly the built-in protection from the worst consequences of an equity or property market collapse is a key feature in the minds of investors. But the idea that managed funds get the best of all worlds in the long run is by no means borne out by the facts.

A look at the accompanying tables, which are the most up to date from the magazine Planned Savings, show that on the basis of at least one set of figures managed funds have certainly performed no better than their stable mates invested in equity and property over the past five years.

Equities, in fact, comfortably come out on top and stripping out the exceptional performance of the New Ireland Evergreen Managed fund, property funds and managed funds are just about level pegging some way behind. The tables, of course, simply cover the most successful fuods but the unweighted average of all those covered by Planned Savings nonetheless confirms the impression given by the top ten.

The average perceotage change of the 42 equity funds over the period, for instance, was 90.15 per cent, the 35 property funds on average increased by 81 per cent, while the 46 managed funds on the market only went up by 72 per cent.

These figures, incidentally, include a number of "closed" funds which are no longer on sale to the public. Closed funds, have, however, been excluded from the tables.

To be fair to the fund managers the period chosen (July 1975-July 1980) has been a particularly good one for equities and property. Fixed interest, which accounts for a substantial part of many portfolios, has not done well witb the gilts market mostly weak in the face of uninterrupted double figure rates of inflation.

Managers will also counter with the argument that the wide spread may not have been needed in the period under discussion but policyholders will nonetheless sleep more easily as a result. This is perfectly valid but it is also true that managed fuods have been marketed on the ability of the managers to pick the right sectors at the right time.

One reason why perhaps as a group they have not is the huge size of many funds. Altering the overall bias can be like turning a giant supertanker (you turn the wheel and notbing happeos immediately).

Besides, a number of funds split their portfolios between their fixed interest, property and equity funds, varying these perectnages only within fairly tight parameters.

Mr. Mark Weinberg, maoaging director of Hambro Life, whose £260m managed fund was one of the first on the market aud is now easily the biggest, points out that much depends on the period chosen and the market conditions at the time.

"The secret of the managed fund is that it spreads the risk and is less volatile in a falling market," he says. "At the same time it offers the opportunity of substantial gain if equities move ahead."

Since their launch on May 1, 1971, the Hambro Managed, Property and Equity funds, have more or less kept in step, showing annualised rates of return of 9.64 per cent, 9.52 per cent and 8.43 per cent respectively, against 9.41 per cent from the FT Actuaries All-Share Index.

Mr. Edward Fairman, managing director of Merchant Investors, points out that policyholders in a managed fund are looking for spread of risk. "If you put the fund heavily into equities or property at any one time you are probably doing them a disservice."

Mr. Fairman admits, however, that managers of big funds can sometimes find it difficult to change direction "purely because of their size." But he adds: "I certainly don't believe that managed funds are incapable of being managed."

At Norwich Union, Mr. Gavin Mills, chief iovestment manager, says policyholders over the years have shown a distinct preference for his successful managed fund. "The investor wants a degree of stability and he is not going to get this if the manager wakes up one morning and decides to put everything into Hong Kong."

# BOOKS

## Ruskin in love

BY PETER QUENNELL

**John Ruskin: The Passionate Moralist**
by Joan Abse. Quartet Books, £10.95. 366 pages

John Ruskin died on January 20th 1900, having seen out a period of history he had detested and despised, and lived through the first days of a new century that he would have found equally abominable. But then, it is difficult to think of an epoch where he would have felt completely at his ease. He exalted the Ages of Faith; yet, had he been himself lived through the heyday of the great cathedral-builders, he would undoubtedly have been judged a heretic. Perhaps Catharism is the heresy that would have suited him best: it included so many divergent ideas and would have exposed him to such stimulating problems.

*The Passionate Moralist*, as his latest biographer entitles him, was seldom a consistent prophet. Indeed, he distrusted consistency and once announced that he intended henceforward to "put my self-contradictions in short sentences and direct terms, in order to save sagacious persons the trouble of looking for them." Thus he invented the theory of "polygonal truth," and asserted that an important central truth might, like the summit of Mount Blanc, be "set between opposite fan-shaped strata." His own changes of mood and "oscillations of temper" he rarely troubled to disguise.

No less oscillatory were his political and moral views. In politics he was by turns a Socialist, a pretended Communist and "a Tory of the sternest sort"; on one point alone was he fiercely determined — he would not be regarded as a Liberal; and some of his pronouncements, towards the end of his career, when he spoke of imperialism and Great Britain's duty to govern, have a distinctly Fascist tendency. Although he championed the rights of the working classes, and his splendid pamphlet *Unto This Last* inspired the early Labour Movement, he doubted whether Universal Suffrage was a reform of which he could whole-heartedly approve.

Similarly, as a sexual moralist, his beliefs and prejudices changed from year to year; and in 1858 he suddenly recognised the pagan beauties of Renaissance art. He had at length grown tired of Fra Angelico and his followers with their simple steadfast faith; and, after admiring the works of Paolo Veronese and other "Vagabond Venetians," he decided that the really powerful artist should have "a good stout, self-commanding Animality . . . I don't understand it. One would have thought purity gave strength, but it doesn't." Venice always unsettled him; and in 1876 he told an American friend that to escape from the spell of Carpaccio's St. Ursula, the symbol of feminine purity *in excelsis*, he was reading and much enjoying Casanova.

"My involvement with Ruskin," writes Joan Abse, "began many years ago, I suppose, because the road I walked along regularly to school was called Ruskin Drive"; and and then developed, first through her membership of the Independent Labour Party, and, later, through her study of art, which led her to a careful consideration of his "extraordinarily wide-ranging mind."

Ruskin's evolution, she soon discovered, was closely connected with the story of his private life — his pampered chilly and yet over-disciplined childhood under the strict control of anxious parents; his frustrated search for love; his sense of moral guilt; his ill-fated marriage; and, during middle life, his tragic attachment to poor little Rose La Touche, whom he had met when she was only 10 years old and, in her mother's drawing-room, she gave him her hand "as a good dog gives its paw."

Ruskin was 40 at the time, so far as women were concerned almost certainly a virgin, and still seeking for an ideal love. Whatever the circumstances, his association with Rose would have been an impossible relationship. But her health was precarious: she had a deeply neurotic nature, complicated by a strain of morbid piety; and Joan Abse believes that, as she grew up, she may have succumbed to that peculiar disease nowadays labelled *anorexia nervosa*, which reduced her to a plaintive wraith. Her death, in May 1875, at the age of 23, undermined her lover's mental balance; and in 1878 he experienced a catastrophic nervous breakdown.

Although she may be inclined to exaggerate the "indivisibility of Ruskin's thought"—both as an artist and as a man he was cruelly divided, his most constant and probably most valuable trait being the visionary passion for Beauty, from which, according to his translator Marcel Proust, his "whole aesthetic system springs"—Joan Abse's analysis of her subject's character is unusually shrewd and sympathetic. Her book produces no fresh discoveries: but she makes sound use of the old materials; while her clear and well-constructed narrative avoids any kind of fictitious literary colouring. If the volume should go into paper-back form, one small mistake deserves correction. Carlyle is nicknamed the "tyrant of Cheyne Walk." The tyrant's stronghold, where Ruskin often visited him and, to other visitors' surprise, sometimes kissed him as he reclined on the sofa, was No. 5 Great Cheyne Row.

Punch's response to Ruskin's support of a protest against the proposed extension of the railway to Ambleside and Keswick

## Young sea dog

BY JAMES FRENCH

**The Young Nelson in the Americas**
by Tom Pocock. Collins, £7.95. 241 pages

Nelson, of course, was a prodigy. Captain Suckling, an uncle, helped him join the Navy at 13. Still only 18, but claiming to be 20, he passed his lieutenant's exam; he was given command of the brig Badger at 20; and some six months later he was promoted post-captain.

When he was not yet 27, and still stationed in the West Indies, where he had held his first commands, he was rebuked by General Shirley, Governor of Antigua when his zeal in carrying out Admiralty orders to block trade with the newly independent Americans had offended colonists who put business before loyalty.

Old and respectable officers of high rank, said the general, resent being dictated to by "very young gentlemen." Nelson retorted that he was as old as the Prime Minister, and as capable of commanding a ship as Pitt was in governing Britain.

The author of this Hentyesque adventure story is Tom Pocock, a Fleet Street journalist, who has proved again that you do not have to be an academic to be a historian. This was recognised when Pocock was asked to pen the *Encyclopaedia Britannica* entry on Nelson, having written a short biography 12 years ago.

(Memo to self: Read Nelson entry in my own pre-World War I Britannica, then Pocock version in library, and compare!)

This racy yarn is a tingling aperitif to more substantial courses of Nelsoniana, but the title is a mite deceiving—it is really the tale of two men, the other being Captain Edward Marcus Despard.

Nelson, who clearly could have proved as successful a general as he became an admiral, and Despard shared a tent, dire hardship, and heroism in the ill-fated Nicaragua campaign of 1780. They were perhaps the only men to emerge from the disaster with credit, though it was not accorded them greatly at the time.

This grossly optimistic enterprise was intended to slice the Spanish main. Although the inland fort of San Juan was expensively captured, disease triumphed—Nelson was left a sickly skeleton—for Britain never fielded the resources to extend and utilise its frail grope towards the hinterland.

Both returned to Britain, Despard a few years ahead of Nelson, with their careers in the doldrums through political U-turns. Imagine, Nelson got so fed up moping around without a command that he toyed with entering the Tsar's service. His patience was belatedly rewarded, and the rest was glorious History, spiced with the Hamilton affair.

Despard's bitterness turned to conspiracy, and he was arrested in a Lambeth pub with accomplices in an Irish plot to overthrow the Government and kill the King. He was tried, hung and beheaded as a traitor in 1803, yet buried in a churchyard, now within the precincts of St. Paul's.

Three years later, after the victory at Trafalgar, Nelson was laid to rest in a marble sarcophagus in the crypt of St. Paul's some 70 paces away from Despard's remains—and little further from the Financial Times office.

I shall make it my business to have a look at Nelson's memorial. We do not breed many like him.

Fiction

## In the family way

BY ISOBEL MURRAY

**Intimate Relations and other stories**
by Jacky Gillott. Hodder and Stoughton, £6.95. 254 pages

**A Man of Middle Age and Twelve Stories**
by Patricia Zelver. Hamish Hamilton, £6.95. 219 pages

**A Certain Slant of Light**
by Margaret Wander Bonanno. Hutchinson, £6.95. 358 pages

**Burn Helen**
by Karen Gershon. Harvester Press, £6.50. 102 pages

**Pas de Deux**
by Olivier Beer. Victor Gollancz, £5.95. 120 pages

Joyce Pickles was a scholarship girl at a northern boarding school, lonely because she felt neither clever nor pretty. At home with her joykilling widowed mother, she longed above all to be part of a family.

An advertisement for a small boarding school where a girl is needed to "live as family" excites Joyce to apply, and she travels to Sussex to meet the charming, insouciant and rambling extended family of the Cadwalladers.

She is thoroughly exploited there. All three Cadwallader men haunt her with unconcealed sexual fantasies, until eventually the possibility of being, if not pretty, at least attractive enters her consciousness. From housework she moves to teaching the infants, and gradually works up to A levels at the same, miserable wage. The Cadwalladers, then, appreciate that she is clever.

Jacky Gillott's story, "A Member of the Family," is told with economy and grace. It is finally judged, witty and humorous, but never simply mocking or dismissive. This precision of tone is the distinguishing mark of the other pieces in *Intimate Relations*, whether the situation involves a sick father, a son and a garden gnome, or a daughter-in-law trying to unite a family with an all-red meal for a Ruby Wedding. It is a fine collection.

Patricia Zelver's collection, *A Man of Middle Age*, has a comparable observing eye, directed mainly at rich Americans in San Francisco. The title story concerns Sam Winkle, account executive for a big firm, who lives an American-Dream-type life of careful good taste and plenty. Sam is observed acutely in his chosen milieu, but his attitudes are even clearer in his appalled reactions to the amazing Schultz family who have moved in next door.

"Chez Schultz" is a miracle of bad taste and concentration on "Best buys." It haunts Sam throughout his gradual realisation of middle age. Schultz-phobia increases while Sam listens to the President's resignation speech, and endures his daughter's absence abroad and her return, expecting a baby by a "Beautiful Individual," and dolorous Christmas festivities in Hawaii and at home.

The change in Sam is symbolised by his liberating a helium-balloon-Santa perched on Schultz's roof and illumined like a neon sign. Then he faces facts, the baby and a new job as his own man. The other stories are shorter but attractive and varied, whether concerning a father's pathetic jokes and one daughter's unfailing performance as Fall Guy, or an old lady of inordinate independence who refuses to be rescued from a flood, especially by her long-term admirer. Well constructed and entertaining stories.

*A Certain Slant of Light* is an unexpected first novel. It is unusual and ambitious in structure and in tone. Sarah Morrow, a very accomplished medieval scholar at a small Catholic college in New York, suffers a stroke which affects her physically and mentally, especially depriving her of the ability to read. Joan is much younger, learning to run a single-parent family, needing a new life beyond marriage.

The novel presents both women gradually, filling out details of their pasts, as they confide in each other, suggesting uncertain possibilities for the future. And beyond them there is a very telling description of the college staff, religious and lay, academics and domestic staff, reacting to problems created—or manufactured—by Sarah's stroke. An apparently unappetising subject is made very palatable by the skill of the novelist.

Jacky Gillott: precision of tone

Karen Gershon's *Burn Helen* is also concerned with a woman's illness—much more centrally, in fact. In a short novel we become acquainted with Helen, a married woman in her forties, who is diagnosed as suffering from a rare and incurable disease manifested by gradual loss of power in the limbs.

The book takes Helen through her illness and her reactions to it, recapitulates her relations with her husband, her family, her former lover, and records the impact of her fatal illness on all these relationships. It poses the largest kind of questions about the individual and mortality, in an unpretentious way.

Olivier Beer's *Pas de Deux*, in a similarly slim volume, offers an insight into the lives of two young French people, François and Isabelle, in their almost casual transformation into wanted criminals.

François tells how they met and fell in love at a civil service exam. When both failed, they begin to steal from the individual examiners, and soon progressed from theft to multiple shootings and murders. Desperately in love with old gangster movies and his fearless Isabelle, François agonises about their doings but gets always further in, until escape is impossible. A credible and grim little tale.

## Spinster spy

BY RACHEL BILLINGTON

**A Few Green Leaves**
by Barbara Pym
Macmillan, £5.95. 250 pages.

The choice of material for a novel is obviously important—though perhaps more so to the reader than the writer. Characterisation, narrative skill, wit, irony, all that goes to make up style can be exercised similarly with the protagonist a depressed male clerk in a government office or the over-sexed homicidal President of an emergent African state. The majority of readers will gravitate to the latter.

Barbara Pym, with the self-knowledge (and self-control) which has caused her to be likened to Jane Austen, has stayed firmly with the former. It is probably for this reason that her readership, though devoted, even obsessive so, has stayed small. Her latest novel, *A Few Green Leaves*, published posthumously, is a story of village life. Readers who look to novels for the excitement or glamour lacking in their own lives will not find it here.

The seeping away of a conventional moral code which is apparent in most fictional worlds created from the 1960s onwards has not happened in hers. Whether this is a truer reflection of the real world is immaterial. It does, however contribute a strong backbone to her writing. It is a truth universally acknowledged that the English novel has never been the same since we lost our standards. . . Particularly when, as in the case of Barbara Pym, the patient unravelling of manners and morals is the meat of the book. This extends to development and interaction between characters but almost never to what might be termed action. A walk in the woods, "canoodling" in the grass (a high-spot this though, one guesses, limited on the completion front) or a visit to the village mausoleum (nothing sinister there) is the most to be expected.

This is not to say that the novelist is unaware of the more publicised aspects of our times. In an excellent earlier book *The Sweet Dove Died*, there is a very modern (amoral) American homosexual called Ned. He is however inevitably less interesting than those she truly cares about. In *A Few Green Leaves* there is a self-indulgent good-food inspector and a don figure who is first spotted pontificating on television. But their influence is far out-weighed by the rector who only cares about "DMVs" (deserted medieval villages), the rector's sister, Daphne, who dreams of running away to Greece but only reaches the outskirts of Birmingham, by Dr. G. who prescribes a new hat for every illness, by Miss Lee and Miss Lickerish. Spinsters have a specially important place in all Barbara Pym's works.

The protagonist, Emma, is herself a spinster. An unconvinced anthropologist (which gives her a reason for spying out the village), she is a close relation to many of Barbara Pym's heroines — if that is not too strong a word. Emma is so diffident, so constantly camouflaged in grey and brown that only the sensitivity of a pen like Ms. Pym's could pick up the scarcely moving breath of her emotions. Her change of allegiance from don to rector hardly stirs the surface of the book so that without her mother who is rather sharper about this sort of thing, one might have missed it altogether.

Perhaps because of this lassitude at the centre, *A Few Green Leaves* is sadly not such a rich book as earlier works. There is a lack of vitality which in the end cannot be compensated for by any amount of careful analysis. Perhaps, also, there are too many characters, spreading Miss Pym's powers of characterisation rather thinner than usual. On the other hand, her sense of humour is as strong as ever and this goes a long way to diverting attention from any inadequacies. Some of the set-pieces, awful supper parties, hunger lunches or gloomy visits to the surgery are as witty or wittier than anything she has ever written.

## Dock briefs

**The Defender**
by Joseph Beltrami. Chambers, £7.95. 236 pages

Television has made us all familiar with the drama of the courtroom and the defence lawyer achieving the eleventh-hour acquittal of his client by means of some *deus ex machina*, to the possible basis for which the viewer has not hitherto been privy.

The reality is somewhat different. Certainly there are moments of high drama, but as Mr. Beltrami's book makes clear, it is usually unspectacular, plodding and painstaking preparation and attention to detail that leads to a verdict of Not Guilty.

Mr. Beltrami, one of Scotland's most eminent criminal defence solicitors, recalls a dozen of the more notable cases in his career. They include several murders, robberies and unlawful sexual intercourse.

All are interesting on their facts, and have as a common thread the total dedication that the good lawyer brings to his task.

Equally interesting are Mr. Beltrami's reflections on the law and, in particular for an English reader, his views on the respective virtues of the Scottish and English systems, the differences between which go beyond the Scottish practice of having a jury of 15.

He concedes that England has done well to get rid of dock identifications, which almost invariably result in the witness pointing to the accused.

Scotland retains that, and, like England, also allows the prosecution to rely on the evidence of identity parades, the fallability of which Mr. Beltrami graphically illustrates: one of his clients, picked out by 21 people on an identity parade, turned out to have been in jail when the offence was committed.

Scottish law is preferable, Mr. Beltrami suggests, in the area of insanity pleas. The English verdict of "Guilty but insane" is regarded in Scotland as illogical. A Scottish jury would return a verdict of "Not guilty by reason of insanity."

Mr. Beltrami provides an admirable summary of the qualities that make a good lawyer. He should be "dispassionate and impartial in his approach to a trial, and should not be influenced unduly by his own personal views . . . (He) must try to divorce himself from the enormity of a crime and be clinical in his assessment of the situation."

Not a bad text for law schools.

RAYMOND HUGHES

**Earls and Girls**
by Madeleine Bingham. Hamish Hamilton. £8.95. 178 pages

Madeleine Bingham, author of several theatrical biographies, has written a collection of amusing and lively tales about the Victorian and Edwardian Gaiety Girls. It was quite usual in those days for respectable and cultured peers to fall in love with stage girls of humble origins. Their dancing, prancing and singing won many a gentleman's heart.

These unlikely alliances and subsequent marriages between men of means and dazzling but dowerless maidens were considered scandalous but nevertheless they were very common. The roués wanted beautiful companions and the actresses enjoyed being pampered by rich suitors and living in splendid houses and achieving aristocratic backgrounds. They wanted to go a long way and they often did.

Although this is a lighthearted piece of writing, the book is full of interesting snippets about the high life and the low life in the public clubs, music halls and theatres during the late 19th century.

LUCINDA WETHERALL

# PROPERTY

# Cream teas and Cotswold habits

By JUNE FIELD

A SAD little entry in *Around Cheltenham and Gloucester* (Ambit Publications), a local guide to the Cotswolds, points out that the fish and chip shops and the Chinese take-aways are still the most popular providers of food in the area, going on with the admission that Double Gloucester cheese is virtually a lost cause in Gloucestershire, and the delectable meat of the local pig, the Gloucester Old Spot, traditionally fed on orchard windfalls, is hard to obtain.

But in spite of this I had an acceptable snack at the Frogmill, an old coaching inn off the London to Gloucester Road, just outside Shipton Sollars, 5½ miles to the east of Cheltenham, and a pleasant strawberry cream tea at the Olde Bakery in the nearby medieval town of Winchcombe. The winding main street still has a few surviving half doors to the houses, a reminder of the old saying that everyone who leaves a door open must have been born in Winchcombe. The habit derives from the Abbot of Hailes request "to leave their doors open as an encouragement to the numerous pilgrims passing through."

At Bruton Knowles in the High Street, they gave me details of local cottages on offer. In Hailes Street a Cotswold stone one-bedroom modernised terraced cottage with a fine outlook up to the Cotswold hills at the back, was £26,500; further along, in Gloucester Street, there was a larger version with three bedrooms, £21,000, "offered at an extremely favourable price specifically to achieve a cash sale with completion by August 31."

I drove on to the hamlet of Brockhampton, past a terrace of tiny smartened-up dwellings with roses round the doors; at the top of the hill sits Rock Cottage, almost hidden behind a hedge, so I didn't really get a good look at it. Detached, with 2 bedrooms, 2 sitting-rooms, *bathroom* and so on, the asking price was £28,950.

Going back down the hill, and passing the local tradesman's red van — "been delivering fish, fruit and vegetables for 30 years" he called out cheerily, I made for what J. Allan Cash in *History, People, And Places in the Cotswolds* (Spurbooks 1974) called Brockhampton's glory "a beautiful building in a superb setting amidst noble trees, all part of a great deer park which lies on both sides of the road."

Maidenwell Manor, in four acres in Broad Campden, dating partly from the 17th century and built with Cotswold stone, was originally restored in 1914 when it belonged to Lord Gainsborough whose arms are on the outside of the house. There are three living rooms, six bedrooms, three bathrooms, a two-bedroom cottage and a paddock, for a price in the region of £250,000. Details Knight, Frank and Rutley, 20 Hanover Square, London W1.

## A house for Mr. Pertes

The story from Mr. Nicholas Tucker-Browne, Cheltenham estate agent, is that the house was built in 1645 for a Peter Pertes Esq., and in 1782 it was sold to The House of Craven. "When Mr. Craven Sr. died in 1866 it was passed on to his nephew, Captain Goodwin Colquitt, who adopted the arms of the House of Craven. He died in 1899, and the property was sold to a Colonel Rhodes, who carried out an extensive modernisation programme in the early 1900s, living there until he and his wife died in 1935, when it was sold to a Mr. Steven Mitchell who owned it until 1939.

"Then it was run as a country club until 1953 when it was acquired by Dowty Group Services, which used it initially for housing "lease lend" scientists who were returning from Canada after the war. After the death of Sir George Dowty it was eventually sold by my agency to the Brockhampton Housing Association, which wanted to convert the house to 21 apartments, but costs went way beyond the budget."

Brockhampton Park, Gloucestershire, Tudor house with late Victorian additions, in seven acres bordering a lake, is being converted by Barratt to 21 luxury apartments from £35,000 to £75,000.

Gallery-show apartment opens next Saturday, August 9, 11 am-6 pm, seven days a week.

Barratt Developments (Investment) has now bought Brockhampton Park and taken over the conversion, "endeavouring to retain the best of the old while installing the most luxurious of the new," explained marketing and sales director, Mr. David Pretty. "This means preserving original wood panelling in the impressive entrance hall, as well as stone fireplaces, cornices and ornamental plaster work throughout the house.

"The unique accommodation is expected to appeal to a broad range — young professional couples, single people, retirement purchasers and those looking a second home in the country not too far away from their main home."

Prices for the large one-, two- and three-bedroom apartments, many of quite spectacular design, are between £35,000 to £55,000 and £75,000 for the largest 4/5 bedroom apartment. Included are cooker, fridge/freezer, washing machine, carpeting, closed circuit TV security system, two private car-parking spaces, and use of the beautiful 7-acre grounds bordering a lake. Mortgages, subject to status, will be available, and those able to exchange contracts by the end of the month will qualify for the company's mortgage subsidy scheme which, on a £15,000 mortgage is currently worth over £340.

## A grand ground floor room

If you are a Barratt shareholder, you are entitled to a discount of £500 for each £25,000 (or part thereof), of the value of what you are buying. To qualify you need to have held a minimum of 1,000 ordinary shares for at least a year. The scheme is also available to anyone who is an employee of an institutional or corporate shareholder. Full details from Mr. Pretty at the gallery-show apartment which should be open next Saturday, August 9, 11 am-6 pm.

A handsome gallery-apartment was being finished as I went round. A grand ground floor room, with dramatic views over broad lawns leading down to the lake with a little bridge, it has a staircase (not a spiral as building regulations would not allow it), in the centre up to a gallery which spans about half the room and provides two bedrooms and a bathroom. Some apartments have their own separate entrances, and particularly intriguing is the one on the top-floor. Here all the odd-shaped little windows, and the old blackened beams have been retained through all the rooms, even the bathroom. You could be living in a cottage, only without the worries and responsibilities of a separate dwelling.

# TRAVEL/MOTORING

## Hardy's splendid county

BY JULIAN CRITCHLEY

*"There are some heights in Wessex, shaped as if by a kindly hand*
*For thinking, dreaming, dying on, and at crises when I stand.*
*Say, on Inkpen Beacon eastward, or Wyll's Neck westwardly,*
*I seem where I was before my birth, and after death may be."*

HARDY'S Dorset embraces the county and much beyond its borders while the novelist's statue (he would have preferred the title "poet") turns its back upon Dorchester and gazes northwards over the Town Jail towards the heights and vales of Wessex. Housman was a Worcester lad who wrote about Shropshire. Thomas Hardy was born, bred and died in Dorset, the county which provided the setting for many of his stories and much of his verse: his heart is buried at Stinsford but his body lies in Westminster Abbey. Housman and Hardy knew and admired each other although Housman took care to approve of some of the poems only and few of the novels.

Dorset is a medal winner in any competition for England's most beautiful county—an award which many of its hotels and restaurants have appropriated to themselves in lieu of any other. Dorset in high summer is a county of lush grasses, high hedges which only occasionally give way to reveal vistas of fields and farms, and villages built of the warmest of stone. Dorset is fecund—a fact that can come as no surprise to those who have inspected the figure of the Giant of Cerne Abbas.

Hardy was an introspective who applied his high intelligence to the telling of simple, rustic tales of maidens undone and of love unrequited. In Housman it is the lads who are generally doomed. Hardy had an eye for the girls both in his books and beyond although his desires were stronger than his potency. He picked the most marvellous names for them: Tess Durbyfield, Bathsheba; Arabella and, best of all, Suke Damson, but his tendency to harp on the theme of virtue unrewarded gave much offence to Victorian opinion (the Bishop of Bradford threw Jude into the fire) while his literary peers found him too gaudy and too provincial. Nevertheless Hardy remains curiously popular today. Since 1974, *Far*, the *Mayor of Casterbridge* and *Tess* have each sold over 300,000 copies in paperback, and their sales are, according to Macmillan, higher in the first six months of this year than last.

Dorset is every bit as popular as the long lines of caravans bear witness. Keep off the main roads to the sea at weekends.

*Thomas Hardy (Picture courtesy of Sir Robert Cooke)*

We lunched at Athelhampton (Hardy's "Athelhall") the most beautiful fifteenth century house and twentieth century garden which is owned by Sir Robert Cooke who as MP for Bristol, started on the task of restoring the decorations of the Palace of Westminster to their original condition. House and garden are open to the public at a pound a head and there is no better introduction to the delights of Hardy's Dorset. The poet himself lunched at Athelhampton on August 4, 1914 when a telegram bearing the news of the outbreak of war was delivered.

Plummer Hall, which is by all accounts the best restaurant in Dorset was fully booked so we went instead to the Bakehouse in Piddlehinton which was not a gastronomic experience.

How very much wiser we were on the following evening when having lunched well, we sought out an hotel where we could find underdone beef sandwiches and long glasses of Pimms. This we discovered by chance in Sherborne, a lovely stone built town in the Vale of Blackmoor and is called Eastbury Hotel (tel: Sherborne 3387). The hotel which is privately owned and managed and looks it, would have been cheaper at £17.20 a double room and undoubtedly more comfortable than either of the hotels at which we actually stayed. The Vale of Blackmoor is the country of *Tess of the D'Urbyvilles* where the fields always remained green and where Alec D'Urbyville and Angel Clare had their way with the heroine of Hardy's story. *Melodrama* should always be taken in comfort.

For Hardy's admirers a visit to Dorchester—which Hardy once said was not Casterbridge—is essential. The church at Stinsford is pretty and three miles away. It has the graves of many Hardys. Max Gate, the late Victorian house which he designed and built, is on the outskirts of the town on the Wareham road. It is owned by the National Trust and let to the Jestys who have treated the property with a proper piety. It is a most comfortable shrine to the great man. The attic room where Emma died is a cheerful child's bedroom while Hardy's bicycle room is now the dining room.

Hardy was a great cyclist even into his 80s. His three studies where he wrote *The Woodlanders*, *Tess* and *Jude the Obscure* are now all bedrooms. The furnishings are lighter than they once must have been and the house, which is undistinguished externally, has large and handsome rooms.

We left Max Gate for the Town Museum which has much Hardy memorabilia and a recreation of his study.

The Jestys gave us two pieces of advice invaluable for visitors to Dorchester. Where to park (the county library); and where to have lunch, the Greenwood Tree in Icen Way which is off High East Street where two young women have just opened a restaurant. The place is bright and spotless and a three-course lunch for two consisting of egg mayonnaise, steak and kidney pie and plum and apple crumble, came to under £4 for two. They serve middle-aged men the kind of food their wives refuse to give them. There is as yet no licence but no corkage was charged on a bottle of Rioja bought from a shop a step or so away. It was the best value of any meal we had in Dorset and entirely without pretence.

Glorious though it is, Hardy's Dorset is a little too well known for comfort. It would be best to stay north of the county and to stay off the main roads. Climb to the top of High Stoy on a fine day and settle down to read *The Woodlanders*, the novel Hardy considered his best. But take care to book your table at the Plummer Hall.

Dorset: Golden Cap Hill.

Datsun's latest family saloon, the Bluebird, exemplifies the attractions of the new breed of Japanese cars. It has a 1.6 or 1.8 litre engine, fully independent suspension, rack and pinion steering, impact resistant polypropylene bumpers, ventilated front disc brakes and a digital clock that displays the date, too. And the 1.6GL costs £3,990, which is more than £100 cheaper than the fleet model Cortina 1600 four-door.

## Giving the public what it wants

BY STUART MARSHALL

SO MUCH has been said in recent weeks about the Japanese car industry that one might be forgiven for thinking it had brought our own industry to its knees single handed by some kind of wily oriental trick.

The facts—at least as the ordinary car buyer might see them—are rather different.

The figures for UK car market shares (and I promise these are the only statistics I will mention) are illuminating. Between 1977 and the end of June 1980, the Japanese share of the UK market varied between 10.61 and 10.96 per cent of total registrations. Total imports—mainly from the EEC but with a small though increasing proportion from the Eastern Bloc—went up from 45.38 to 57.60 per cent. And Leyland's share slipped from 24.33 to 18 per cent. Japanese penetration went up in July but, over the whole year, I doubt that it will be significantly different from what it has been since 1977.

Cleverer people than I will argue about the political and economic consequences of Japanese car imports. What interests me is why they have become so popular in Britain that only Government pressure has kept their penetration down to a little over 10 per cent. Were there no "gentlemen's agreement," I think it quite possible that Japanese car sales here would be at twice their present level.

Twenty-five years ago the Japanese motor industry hardly existed. As recently as 15 years ago their sales in Europe were minimal and the cars themselves had little to commend them except novelty value. By our own standards, they were of outdated design (like cars of the early 1950s, for the most part), they rode badly, steered sloppily and appeared to have been styled by the man who invented the espresso coffee machine.

I recall being invited, with a number of other motoring writers, to drive the whole range of Datsun cars on the Zandvoort racing circuit in Holland in the late 1960s. At the end of a day of hard driving, we were asked what we thought of them. Without mincing words, we listed their faults as we saw them. Notebooks were produced; the Japanese scribbled away furiously; and no one argued.

Since that time the Datsun range has improved out of all recognition. I am not suggesting it was a case of cause and effect. All Japanese cars have become so much better in the last 10 years—and so much more European in appearance and performance—that you might not think they were Japanese until you examined the specification and the price.

And it has been the Japanese willingness to listen to informed criticism from importers and dealers, owners and, yes, journalists that has been responsible for this transformation.

Sadly, it has not always been so with our own car makers. Only a few months after my continental caper with Datsun I attended the launch of the Austin Maxi. Everyone complained about the awful gearshift, only to be told by outraged engineers that we did not know how to drive them properly. The last Maxi I drove a year ago seemed little better. It was the same with the Allegro. Everyone fell about launching at the "Quartic"—that is, square—steering wheel, only to be told, sternly, that it was a brilliant idea and would shortly weep the industry.

As Japanese cars improved in design and driveability, they won a reputation for better than average reliability. Buyers—and especially private buyers using their own money—value reliability above all else, and who can wonder when repair labour charges are now edging towards £15 per hour.

The trade likes reliability, too. Warranty repairs are an embarrassment and a troublesome car will not bring repeat business. Some of the early Japanese car dealers were unimpressive; now they are among the best in their localities. Like my local Colt dealer, for example. He was rewarded for a lifetime of loyalty to MG and Morris by being fired by BL a few years ago because he was too small. They should see his premises now.

Some of the enthusiast motoring magazines still profess not to understand why motorists like cars such as the Datsun Sunny, the Mazda 323 hatchback and Toyota Starlet, which are still as conventional in design as a Marina or Avenger. Though giving them a patronising stroke on the head for smooth running engines, sweet gearshifts and a good record for reliability, they cannot see why people should want to buy them.

I can. It is because they have very light steering, most of the normal "extras" like tinted glass and radios (and sometimes five-speed gearboxes) as standard, are carefully finished inside and out and, their owners' neighbours will have told them, they do not break down very often. Japanese cars have been around long enough now for repeat business to be important. Most owners of Japanese cars are prepared to buy another.

Now that the yen has lost value against sterling, Japanese cars are competitively priced. Compare a £3,325 Datsun Cherry five-door estate against a Mini Clubman estate at £3,652; or a Honda Civic 1.3 litre three-door hatchback with automatic transmission at £3,220 and a Ford Fiesta 1.3GL manual at £4,064.

I am not blind to the faults of Japanese cars. Their corrosion resistance is no better than that of most British and mainland European cars, worse than some. But self-delusion helps no one, least of all our struggling car makers and traders, the politicians and trades unions. Japanese cars have got where they are today because they give the car-buying public what it wants at an economic price. It really is as simple as that.

## Getting away from it all

BY SYLVIE NICKELS

AS ANYONE will know who has been prepared to put on a pair of boots and walk, there is still a lot of wilderness Britain left. It is there largely either because it is difficult to reach, or thanks to the efforts of organisations of all shapes and sizes who are frantically working to safeguard it for us.

The National Parks—of which there are ten in England and Wales—are the best known examples of big chunks of protected landscape. Selected by the Countryside Commission and administered by local authorities through Park planning committees, they cover huge areas such as much of the Lake District and Dartmoor while providing, or allowing to be provided, suitable amenities for their enjoyment. As the ownership of these areas is usually a hotch-potch of State, trust or private land, keeping the right balance is a very complex business.

Very much smaller and rather less-known are the Countryside Commission-designated Country Parks of which there are 130. Most of these are on land owned by district or county councils and range in size from relatively small areas to nearly 1,000 acres, varying from secluded areas of woods or open parkland to much larger ones with informal recreational activities. Free booklets on these and the National Parks are available from the Countryside Commission.

Among other major landowners or lessees are the Nature Conservancy Council (controlling national nature reserves), the Forestry Commission (the giant of them all) and the National Trust (including over 400 miles of coastline and 94,000 acres in the Lake District alone). Attached to many of these protected areas are information or interpretive centres, some using imaginative methods of imparting easily digested knowledge on ecology and the environment. Often marked trails of varying lengths help visitors to find their way about.

In a class of their own are the Long Distance Footpaths, ranging from the 80 miles of the South Downs Way to the 250 miles of the Pennine Way and the 515 miles of the South-West Peninsula Coast Path. LDPs, which involve crossing anything from an officially protected area to somebody's smallholding, are again designated by the Countryside Commission (eight so far; free leaflets available), but marked and maintained by local authorities who have the unenviable task of negotiating rights of way where these do not already exist.

Snowdon from Baddgelert Forest

Waymarking is often done with the assistance of voluntary groups such as the Ramblers Association. In addition, there are other LDPs like the Cotswold Way, which may not carry the official seal of the Countryside Commission but are often backed by local authorities. In these cases there may be gaps in the rights of way—necessitating the use of public roads or detours—and there is no national grant for maintenance.

Canal and river towpaths—hundreds of miles of them—offer further and rather easier ways of probing into countryside where, thankfully, roads cannot always follow. For short walks of guaranteed ecological or scenic interest, the English Tourist Board issue a helpful information sheet, shortly to be reprinted, entitled *Trails and Rambles in England* (free) listing itineraries from less than a mile upwards. The Wales Tourist Board have a booklet *Walking* (70p by post) describing more than 500 walks, and the Scottish Tourist Board publish *Scotland for Hillwalking* (more than 60 more difficult walks; 50p by post) and a *Walks and Trail Pack* (£1.40).

Some conservation work passes almost unnoticed under our very noses. It is only recently that I learnt about roadside verge nature reserves, the result of a happy co-operation between the 39 county-based Nature Conservation Trusts and the County Highways Authorities. The aim is to protect anything from once common and now threatened meadow flowers to rare species of plant, butterfly or beetle.

These examples of roadside mini-wilderness, on which no herbicides are used and the grass is cut only after flowers have seeded, are marked with white posts and the letters NR. Other bodies controlling territories in which they pursue their own specific aims include the RSPB, the Wildfowl Trust and innumerable local and regional natural history societies.

Apart from all these aids, there is still plenty of scope for using your own initiative. We work on the principle that the narrower and rougher a road, the less crowded it will be, and these are the very roads that probe into the wildest country. Add to this the fact that a valley that has no road outlet is likely to be emptier than any other, and all you need is a good map and the ability to read it.

We have followed this policy rom the Black Mountains and Berwyns of Wales to the Knoydart peninsula of western Scotland, and are still finding forgotten corners of our own edge-of-the-Cotswolds country.

Addresses: Countryside Commission, John Dower House, Crescent Place, Cheltenham, Glos. GL50 3RA. Forestry Commission, Alice Holt Lodge, Wrecclesham, Farnham, Surrey. Nature Conservancy Council, 19-20 Belgrave Square, London SW1X 8PY. National Trust, 42 Queen Anne's Gate, London SW1H 9AS. English Tourist Board, 4 Grosvenor Gdns., London SW1W 0DU. Wales Tourist Board, P.O. Box 1, Cardiff CF1 2XN. Scottish Tourist Board, 23 Ravelston Terrace, Edinburgh EH4 3EU.

# LEISURE

## David Lascelles explores life in a young city where the major qualification is age

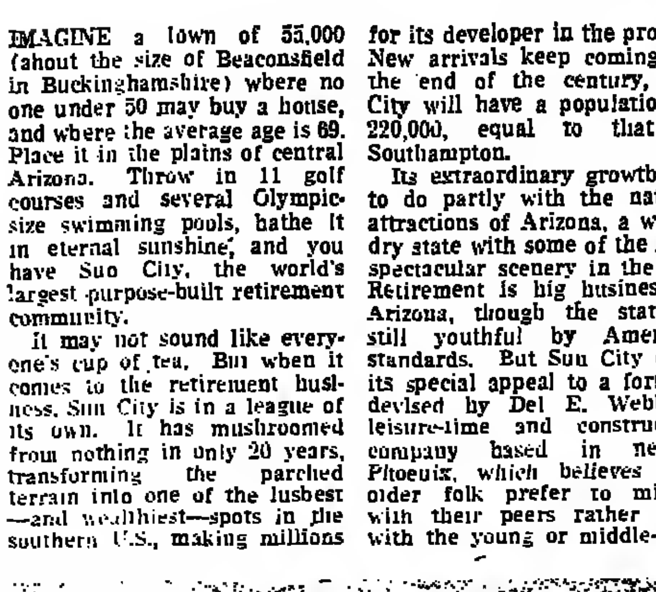
# *A boom market in declining years*

Sun City joggers

IMAGINE a town of 55,000 (about the size of Beaconsfield in Buckinghamshire) where no one under 50 may buy a house, and where the average age is 69. Place it in the plains of central Arizona. Throw in 11 golf courses and several Olympic-size swimming pools, bathe it in eternal sunshine, and you have Sun City, the world's largest purpose-built retirement community.

It may not sound like everyone's cup of tea. But when it comes to the retirement business, Sun City is in a league of its own. It has mushroomed from nothing in only 20 years, transforming the parched terrain into one of the lushest—and wealthiest—spots in the southern U.S., making millions for its developer in the process. New arrivals keep coming: by the end of the century, Sun City will have a population of 220,000, equal to that of Southampton.

Its extraordinary growth has to do partly with the natural attractions of Arizona, a warm, dry state with some of the most spectacular scenery in the U.S. Retirement is big business in Arizona, though the state is still youthful by American standards. But Sun City owes its special appeal to a formula devised by Del E. Webb, a leisure-time and construction company based in nearby Phoenix, which believes that older folk prefer to mingle with their peers rather than with the young or middle-aged—albeit doing the same things as younger folk. So it planned Sun City exclusively for the 50-plus generation, with the accent on activity.



An emphasis on activity

"This is not a place where people snooze in rocking chairs," Mr. Gerry Svendsen, Webb's spokesman, says. "Today people in their '60s want to lead vibrant lives, and expect to live into their '90s."

The project was something of a financial risk because Webb had to put a lot "up front." The sports facilities, clubs and other attractions all had to be there from the start because, as one resident put it, "when you're 60 you don't want to be told there'll be a golf course in ten years' time." Webb even brought in fully-grown trees to gratify the earliest "Sun Citians," as they are called.

One of them was Mrs. Garnet Burnham, who moved in 20 years ago from Peoria, Illinois. "I thought I'd led an interesting life until I came here," she says. "There's so much to do. Think of all the human history and experience behind every front door." Mrs. Burnham, a sprightly 75-year-old, keeps herself busy taking busloads of would-be Sun Citians around the town's trim avenues to show them the gleaming white homes with their sprinklered lawns, the recreation centres, the gymnasium, the running track, and all the other things that make Sun City set a "world standard in resort-retirement living," as the *sales* brochure puts it.

The sales pitch is aimed strictly at the middle income groups—people with a net worth of $250,000 or more. Geographically Sun City draws most customers from the Midwest: Illinois, Ohio, Michigan. East of that area people prefer to retire to Florida, and west of it to California.

To give prospective Sun Citians a chance to sample the town's pleasures, Webb runs special vacation plans where people can rent apartments overlooking one of the golf courses for a couple of weeks at little cost. With entertainments thrown in, it's a holiday *in its own right. But it helps* people to decide whether Sun City is for them.

"If people have doubts about the place, I advise them not to come," Mrs. Burnham says. "I want people to come here because they really expect to like it."

For those who succumb to its spell, Sun City offers a wide choice of homes ranging from small bungalows costing about $60,000, to large houses costing over $100,000. (For purposes of comparison, the average price of a house in the U.S. is $82,000). All houses in Sun City are designed and equipped to keep housework to a minimum. But the most popular are those with plenty of spare bed space for visits from the folks back home.

Webb has begun to notice a slight fall-off in sales this year. It blames this on the current U.S. economic climate where high interest rates have made it hard for the retired to sell their homes and move. Political uncertainties caused by the forthcoming elections have not helped either.

When they do come, Sun Citians bring money—their lifetime savings. And the financial industry is scrambling for the business. Every busy street corner has a bank on it, and most of the country's leading stockbrokers are represented. The town's main road junction has a large illuminated sign giving the latest Dow Jones Industrial Average. "People here follow the stock market very closely—women just as much as men," Mrs. Burnham says.

When big corporations like American Telephone and Telegraph have their annual meeting, the proceedings are piped across the country by closed circuit television to Sun City's main auditorium which is crammed with thousands of attentive shareholders. For those who cannot understand the mysteries of Wall Street, retired stockbrokers and bankers help out with advice on financial planning, will-making and so on. Because Sun City is a commercial residential development and not a glorified old people's home, its members have to look after themselves to a large extent. So the spirit of self-help is quite strong. Anyone who has a skill is encouraged to teach it to others.

This has brought together a near-university offering subjects as diverse as law and belly-dancing. Sun City also has a 72-piece symphony orchestra, a pom-pom troupe to lead the cheering at sports events, and a 300-strong posse to help the sheriff just in case things get out of hand.

The emphasis on activity goes to lengths not normally associated with the over-50s. A recent 5-kilometre race attracted 400 entrants, few of whom managed to complete the course at a trot, but it was all in the Sun City spirit.

Golf is the biggest pastime, of course. Garages are specially designed to take electric golf carts. Many people use these little vehicles to go shopping or to visit neighbours. If golf palls, most other sports are available, including weight-lifting. Those in search of dicier pleasures can join excursions to Las Vegas in neighbouring Nevada.

But active, sun-drenched and pleasant though Sun City life may be, it suffers by its very nature from a high share of human tragedy. Sickness, incapacitation and bereavement are everyday occurences. *Local* self-help groups try to *meet* crises and provide the necessary aid and consolation. There is also a 260-bed hospital with no fewer than 175 doctors, plus a broad range of medical facilities. But people in Sun City are expected to be able to fend for themselves. If they cannot, they are gently advised to find somewhere where they can be looked after.

Bereavement probably causes the greatest pain. As the solitary figures in the town bars and restaurants testify, there is a lot of loneliness. Alcoholism and promiscuity also are problems. But on the bright side, there are a lot of re-marriages too.

When it comes to the end, Sun City is *well-equipped*. The funeral industry is highly organised (but inconspicuous), and 27 churches are able to lay members *of* 54 different religious sects to rest. But these features of Sun City are not stressed in the brochures since it is a place where people come to live, not to die.

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# *Climbing ways*

## GARDENING

ARTHUR HELLYER

CLIMBING PLANTS can play such an important role in the garden that I am constantly astonished by their comparative neglect. There is no doubt that some have acquired a bad name by being frequently planted in unsuitable situations. Wisterias are placed on house walls where they rapidly get out of control, push their long shoots beneath the tiles, coil them around the gutters and are a complete nuisance. Ivies and ampelopsis are allowed to spread their way relentlessly over masonry and even threaten to block windows with their growth. These plants have their place, but emphatically this is not on the building in which one lives.

For this there are other more controllable plants, the less rampant climbing roses, for example and those clematis which can climb lightly into them, but not the more exuberant kinds such as *montana, orientalis, tangutica* and *flammula* which can become as great a menace as wisteria.

The proper place for these very vigorous climbers, as also for most honeysuckles, is scrambling up into trees or over large pergolas or screens where they can make the most luxurious drapes without becoming a nuisance to anyone. In fact not all these climbers are equally rampageous, the Japanese *Wisteria floribunda* being far more manageable than the Chinese *W. sinensis*.

It has the additional merit of being more variable in flower, white, pink and purple as well as the more familiar light violet blue, sometimes double and in one magnificent variety, variously listed as *Macrobotrys* and *Multijuga*, borne in trails up to a metre in length.

Vines of all kinds seem to me the perfect canopy for outdoor eating places, trained on rafters and also nipped back from time to time to regulate their spread while the shoots are still young and tender and can be dealt with in this simple way. There are early ripening varieties such as Muller Thurgen that will produce good crops of grapes outdoors in warm sunny locations in the southern half of England and Wales and vines can be grown anywhere if the purpose is simply ornamental.

For this purpose Atropurpurea and *Brant* are admirable, the one purple leaved throughout the summer the other acquiring its rich purple hues as the leaves ripen in autumn.

One of the most spectacular effects at Sissinghurst Castle is a wall covered with the climbing hydrangea and forming a background to a border of long spurred aquilegias. This is a dividing wall between one part of the garden and another, a wall which comes to a full stop at the top with no roof or windows for stems to penetrate and clear cut off point for growth since there is nowhere else for the plant to climb. So in this situation this rampant plant is harmless as well as beautiful, its abundant white lace cap flower heads making the perfect background to the gaily coloured flowers of the columbine.

This, I must explain, is *Hydrangea petiolaris*, the kind that can be obtained quite easily at many garden centres. I like *Schizophragma hydrangeoides* with its larger though less numerous creamy bracts even better but it is almost impossible to buy.

A climber that has given me a lot of pleasure this summer is the potato vine, *Solanum crispum*, which has been flowering non-stop since early June and looks like continuing to do so until the autumn. I think without realising it I must have acquired the Glasnevin variety which has a longer flowering season than the common form. It is also one of the best in colour, a fine violet blue with the typical potato flower centre of golden anthers uniting to form a cone. It is a thruster and scrambler rather than a true climber and if there is no other plant to hold it up its long stems must be given an occasional tie to prevent them flopping.

There are, of course, a lot of plants used as climbers in gardens which nature designed as shrubs. The early flowering Japanese quinces are of this type and so too are the numerous varieties of ceanothus and the berry-bearing firethorns. To convert these into climbers they must be pruned and trained and this involves a little work but in return one gets plants than are almost self-supporting by virtue of their own rigid stems, which only require an occasional tie and which can therefore be grown on house walls without any fear that they will cause any damage. The ceanothuses actually derive benefit from the treatment since none is completely hardy and all enjoy the protection of a sunny setting.

There are other shrubs which nature certainly intended to climb yet did not endow too handsomely with the means to do so. The Trumpet Vines are of this type, magnificently exotic when bearing their clusters of large, funnel shaped orange red or salmon red flowers but only sparsely equipped with the aerial roots which should enable them to cling to any solid surface like an ivy. Campsis radicans has sufficient to get by without much assistance and, it is also the hardiest, is probably the best to plant and certainly the easiest to obtain. Yet most of the praise and publicity go to the larger flowered *C. grandiflora* and its offspring *C. tagliabuana*, Madame Galen.

If they can be found they should be given the warmest, sunniest wall available and some wires, netting or trellis to which their long stems can be tied. Do not worry if most of these stems die back in the winter. They can be cut almost to ground level in March with every prospect that they will shoot up again with increased vigour and flower with undiminished splendour in August and September.

Finally to those looking for an unusual yet harmless wall drape I recommend *Actinidia kolomikta*, a slender twiner grown solely for its leaves which combine green, cream and pink. It is deciduous, so makes no winter contribution to the garden, but it is at its most beautiful in May and June when the young leaves develop their brightest colours. I am told that not all forms colour equally well in which case I must be lucky since my own plant and others I know are all good.



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# *Mercer to win*

## RACING

BY DOMINIC WIGAN

LAST YEAR Suavity, Connaught Bridge and Tahitian King combined to give Cecil and Mercer a treble on the final day of Goodwood, and it comes as a major surprise to find that neither of them is concerned in proceedings there today. Furthermore, Cecil is without a runner at his home course, Newmarket, where Mercer teams up with Hindley and Sutcliffe runners.

The soon-to-be-deposed champion jockey looks to have his best prospects at Newmarket on Julip and Sekam. The going seems to have come right for the firm ground specialist Julip in the Cardinal Handicap.

Although this well-made daughter of Track Spare—whose stock usually prefer plenty of "cut"—has not won on her first two appearances, she remains a smart performer as seen by her efforts in the Ebbisham at Epsom. There it was by only a headthatJulip failed to hold a last ditch effort from the greatly improved Parlour Game.

Sure to be all the better for a seven weeks' summer break, Julip can justify Hindley's patience by notching her second success here. It was on this course 12 months ago that Julip completed her double with a cleverly gained victory over Black Earl.

I feel sure that we have not was by only a head that Julip younger stable mate, Sekam, and Sultan Adham's twice-raced colt is given a confidence vote in the Exeter Stakes. This half brother by Lorenzaccio to Mofida, out of World Lass who is, herself, a half sister to Chebs Lad, had little room in which to deliver a challenge when forced in Ayr's Roman Warrior Shield last time out.

At Goodwood, where it is the final day of the July meeting which has, in the main, been enjoyed by the majority in the three enclosures as well as by Trundle Hill enthusiasts, Vielle seems sure to start a hot favourite for the Nassau Stakes. The Oaks runner-up achieved quick compensation for her classic defeat when picking up the Lancashire Oaks in which The Dancer was clearly not herself. Vielle may well win here, but at the anticipated cramped odds I would not care to have a bet.

A better medium on the country's most spectacular course with its sweeping downland and lofty view to the sea, is probably Astonished among the runners for the Surplice Stakes. Piggott teams up with this filly who is certain to be as fit as any as she bids to greatly increase her paddock value with s first success.

**GOODWOOD**

2.00 Integrity
2.30 Vielle
3.05 Lindoro
3.35 Sharp Venita
4.05 Astonished*
4.35 Bunce Boy

**NEWMARKET**

1.30 Mount Denali
2.00 La Rue Royale
2.30 Queen's Token
3.00 Havne
3.30 Julip**
4.00 Hardinvast
4.30 Sekam***

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## Mail order for the tipplers

# *A rush to join the wine club*

BY ROBYN WILSON

Malmaison Liz Morcom. Roger Taylor

PROBABLY the first people to know about mail order trends are our long-suffering postmen. They, after all, are the ones who stuff all those fat catalogues through the nation's letter-boxes.

My postman tells me that of late he has noticed a marked upsurge in the number of large envelopes he-logoed with bunches of grapes, corks, corkscrews, wine glasses, champagne bottles and other bacchanalian paraphenalia. While admitting that his beat (through Knightsbridge and Chelsea) is perhaps not geographically broad enough to form a dependable base, from which to define a national trend, he is convinced that this summer almost as many households are ordering wine by mail as are planning their winter sunshine holidays by post.

Brian Mead, marketing manager of Britain's most successful mail order wine operation, the 100-year-old International Exhibition Wine Society, confirms the postman's findings. The Wine Society, according to Mead, is putting on members at a rate of 5,000 a year and now has about 50,000 active members who last year bought over £5m worth of wine by mail order through the Society.

"Yes, there has been a big growth in the numbers of people buying wine from us by mail. We've enlisted at least 15,000 new members in the last three years—membership costs ten pounds for a lifetime subscription. I would say that most of the new members are people who have spent a few years drinking *Blue Nun* and *Mateus Rose* and now they want to widen their horizons."

Most customers would probably drink some wine every day, judging from their buying patterns, perhaps an ordinary table wine Monday to Friday "our house wines at £2.45 a litre are very popular." and then something a little more special for weekends or when they are entertaining.

"The average member rarely buys wines from the top end of the list which includes wines like a 1961 Cheval Blanc at £38 a bottle. Most members order about three times a year, although we do have one member who orders once every two years but spends over £1,000 on each order."

Mead believes that one of the main reasons for the growth of the mail order wine market is that organisations like the Wine Society offer a wide range of wines (the Society's catalogue includes more than 500) that are not readily obtainable at traditional retail outlets.

He suggests that the growth of the Society itself is related to the mystique that surrounds, and the snobbism inherent in the purchase of good wine. "The Wine Society is very much the Harrods of the mail order wine market—we are the oldest and the biggest, and we are definitely not the cheapest."

Mead believes an additional attraction is the Wine Society's relative exclusivity: "We never advertise, all our members join by word of mouth recommendation. Yes, we have discussed advertising but we feel that an advertising campaign would bring in too much new business. We have as much business as we can cope with now—in the run-up to last Christmas we were filling a thousand orders a day."

Catching up fast on the Wine Society both in membership and turnover is the Direct Sunday Times Wine Club, a profitable association formed six years ago between Direct Wine Sales of Reading and the Sunday Times. The club at last count had more than 23,000 members who pay an annual £3 subscription to receive a bi-monthly mailing of the club's recommended special offers and a quarterly colour magazine, the Wine Times.

According to the club's managing director Tony Laithwaite, 10,000 of those members have signed on during the past 18 months, with half of them, interestingly, joining up during the period that the Sunday Times was off the streets. Over that period the Wine Club's advertising was run in other media. The club also sponsors wine tastings for its members and runs wine tours to Europe and the U.S.—this autumn's 12 tours to France and California are all fully booked.

Laithwaite believes the reason for the club's ever-increasing success is that it informs and educates a marketplace that is hungry for knowledge about wine, particularly lesser known varieties. The club's first offer of Bulgarian wine sold more than 6,000 cases.

"People who would never dream of buying a bottle of Bulgarian wine in a wine shop will buy a case of it through the club because it carries the club's recommendation."

That recommendation, or seal of approval, is perceived as the all important factor by many marketers of wine by mail. One of the Direct Sunday Times Wine Club's competitors commented a trifle acidly. "The reason the Club is doing so well is that most of the punters believe the wines have been personally approved by the editor of the *Sunday Times* himself."

The wines are in fact chosen for the club by wine writer and author Hugh Johnson, who gives them his own seal of approval.

Colin Parnell, editor of the wine connoisseurs magazine, *Decanter* believes that such a seal of approval is more than just a reassurance of quality, it is a tasting guide.

"People who buy wine regularly by mail are very much influenced by who is choosing the wines. Its a bit like theatre going—once you find a theatre critic whose taste matches yours, you tend to stick with him and follow his advice and recommendations."

Wine Society Brian Mead. Leonard Burt

Certainly the "seal of approval" is seen to be the reason for the recent success of British Transport Hotel's wine by mail company. The Malmaison Wine Club, which now has 10,000 members and is growing fast. Malmaison had been chugging along slowly since being put into service eight years ago, and only started to build up steam when the personable and highly reputable Master of Wine Clive Coates joined British Rail and took over the wheel.

Since Coates arrival three years ago, membership has trebled and turnover is topping the million pound mark.

Malmaison's club manager Liz Morcom claims: "Because of the reputation of the club's executive director Mr. Coates, people know they can trust our wines and therefore they are happy to buy wines they have never heard of."

Unlike the two bigger clubs, Malmaison doesn't charge a membership fee: once you send for a catalogue (the catalogues are advertised in Decanter magazine and through BTH) and make a purchase you automatically receive the bi-monthly newsletter, and twice yearly catalogue with its 500-odd wines. You also receive invitations to the Club's regular wine tastings, which are generally up to 500 per cent over-subscribed, says Morcom.

Morcom believes the mail order wine markets' rapid expansion is the result of more and more people realising the benefits of buying by post. "Its much pleasanter to sit down by the fire and browse through a nicely produced catalogue than roam around a supermarket or off-licence."

That pleasantness factor — or rather the lack of it — has made a major contribution to the success of the wine by mail market. For many regular wine buyers, shopping for wine isn't what it used to be.

"A lot of middle and upper class people used to have a favourite wine merchant who they could pop in to see and trust his judgment on what wines they should buy. But so many of the smaller wine merchants have been bought up by the big brewery chains and staffed with young people who know even less than their customers about wine, that buying wine is very much self-help these days," says Peter Grant, director of the Historical Wine Society, which has 550 members on its mailing list.

"Unless you live in London or one of the main city centres its hard to find a good wine merchant these days, especially one that stocks anything out of the ordinary."

Virginia Broadbent, who runs a company called Beaumont and Richmond from her home in Kew, finds that despite a good selection of wines ranging from own-label house wines to an exclusive champagne it is the catalogue offer of "investment claret" (claret that is currently lying in oak in Bordeaux to be delivered in 1982) that draws most response.

"The investment claret is the something that no retail outlet can offer," says Broadbent.

One of the surprising factors in the growth of the wine mail order business is that it has happened despite any perceivable marketing expertise among the bulk of its practitioners. Except for one or two of the larger operators, few companies appear to have much knowledge of either the market place at large or their own customers' habits. Very little market research has been done despite the fact that somewhere around £20m was spent on mail order wine last year—and the advertising of catalogues is generally haphazard.

Apart from Cellarmasters, who go to the American Express card list, and G. F. Grant who sell to the Diners Club list, few companies have embarked on the list building operations that are the hallmark of most other sectors of the mail order marketplace. One small company selling German wines said it once did a mail shot to all the doctors and dentists in the yellow pages inviting them to send for a catalogue, and even Avery's the 200-year-old wine merchants from Bristol confesses that its list-building has been confined to cribbing from Who's and Who and the Society of Marine Engineers membership list.

# HOW TO SPEND IT

by Lucia van der Post

## MAKING A BIGGER SPLASH

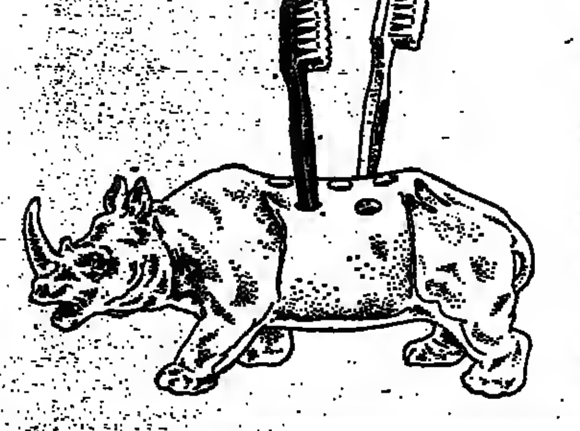
*I CANNOT offhand recall a single friend who lives in a house without a bath but at the same time I can hardly think of a single one who owns a really memorable bathroom. Most of us have had the means with which to keep clean and decent for so long now that we have taken bathrooms for granted.*

*For those who feel the time has come to make their bathrooms more than just utilitarian spaces for their daily ablutions there are several organisations which exist to help them do just that. Godfrey Bonsack, of course, has his own bathroom shop at Harrods, and 14, Mount Street, London, W1, both of which can provide all manner of patterned baths from Grecian to chintzy, electronic controls, taps in all shapes and sizes including gold-plated (for those with the money and taste for such things).*

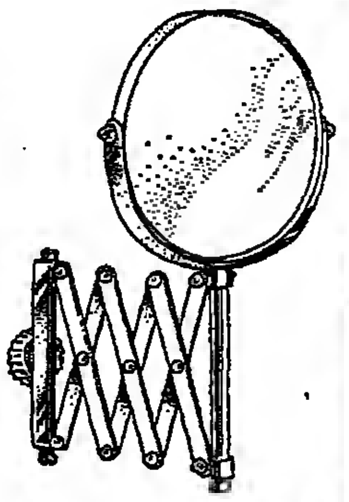
*Plush Flush at 27, Sackville Street, London, W1, has currently got a big run on its square bath, the Kyoto, which measures a mammoth 5 ft 8 ins across. Plush Flush also sells Jacuzzis to those who have the requisite £1,200 to £1,400 (plus VAT) to spare.*

*St. Marco's, 45, Sloane Street, London, SW1, is a newish bathroom shop which sells an amazing selection of taps, baths and bathroom accessories from Italy.*

*Otherwise, if you have visions of bathing in greater grandeur, or just want to give a bit of an uplift to an existing bathroom here are a few ideas.*



**For those who prefer something more interesting than a plain mug for holding their toothbrushes, then St. Marco's in Sloane Street, has plenty of ideas. For instance, there is this white ceramic white rhino with several holes in his back, just conveniently placed and sized for holding five toothbrushes (those who aren't too fond of rhinos might like to know that there is a hippo as well). He is £25 (plus VAT). St. Marco's is obviously the place for those who like fanciful bathrooms—there are great jars of what appear to be spaghetti and tagliatelli but turn out to be soap, there are ornate lights of every conceivable kind a huge and wonderful collection of bathroom ornaments and accessories of all sorts. However, for those who are also interested in serious bathroom equipment there are some really beautiful ceramic tops as well as some very functional bathroom furniture.**

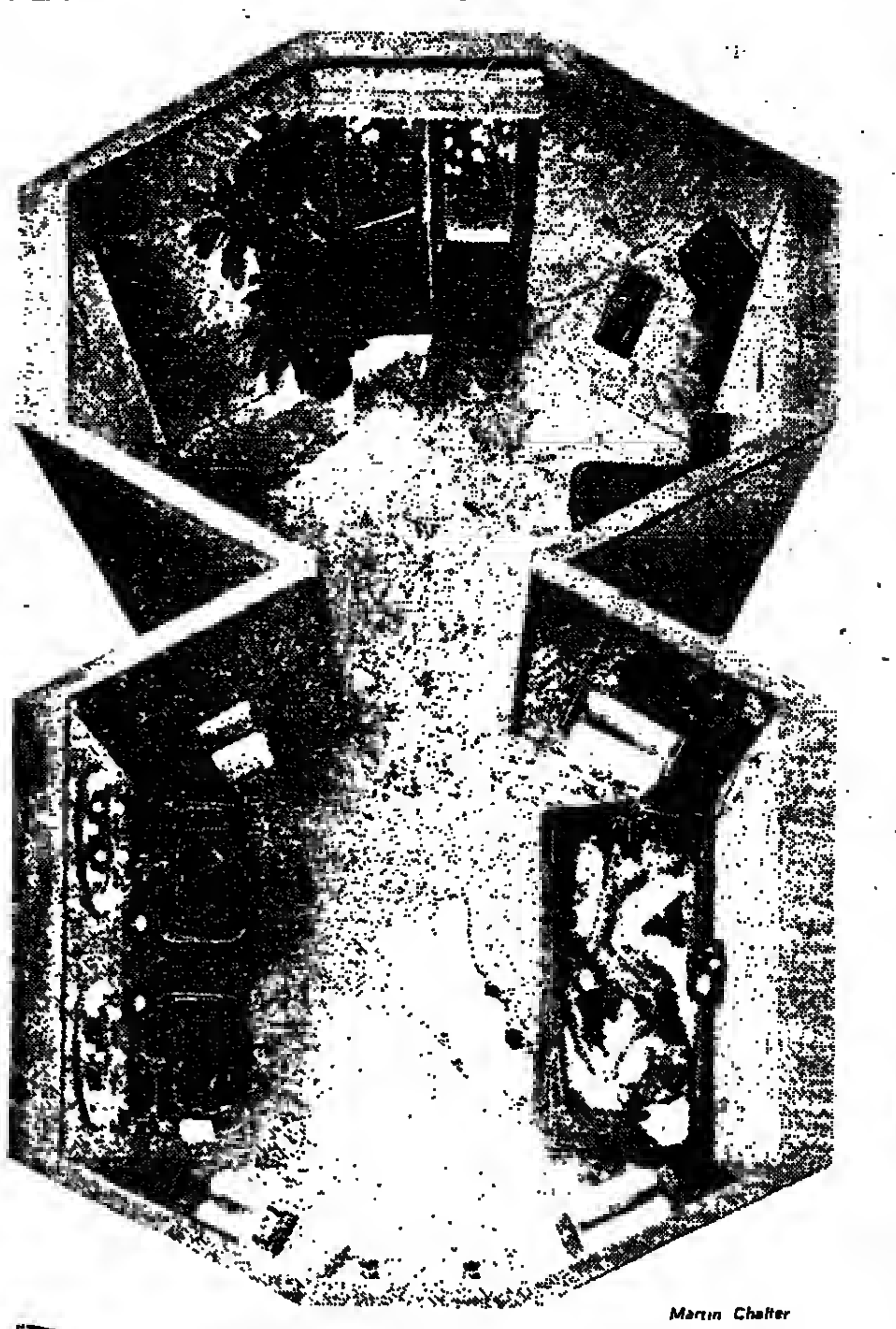


Nobody who has ever taken any interest in bathrooms at all will have failed to have heard of Godfrey Bonsack. His designs are used in grand bathrooms all over the world and though he has become more famous for his extravaganzas there are many highly sensible, less extravagant pieces. The extendable shaving mirror sketched above is a useful addition to most bathrooms. One side of the mirror is magnified, the other plain, in either gilt or chrome, it is £86 from Bonsack, 14 Mount Street, London W1, or Harrods.

**Twyfords, the bathroom manufacturer, has come up with this idea for perking up our bathrooms—a see-through Perspex bath. The picture shows wonderful licence, however, as no allowance has been made for the plumbing arrangements or for boxing in. Nonetheless it is a jolly idea.**

**The bath itself has been photographed in see-through Perspex in order that we can appreciate the shape of the mould which has been specifically shaped to support the human back so that all those who like to read, listen to music or just plain wallow, can do so in more perfect comfort. Besides providing this support the York bath, as this version's called, is shaped to narrow at the far end in order to use less of our precious hot water than more orthodox versions.**

**For the moment the see-through bath is just a prototype (though Twyfords is willing to start supplying it if enough people want it) but the same shape is available in all the 10 Twyfords colours. For further details write to: Twyfords Bathrooms, PO Box 23, Stoke-on-Trent ST4 7AL.**



Martin Chalter

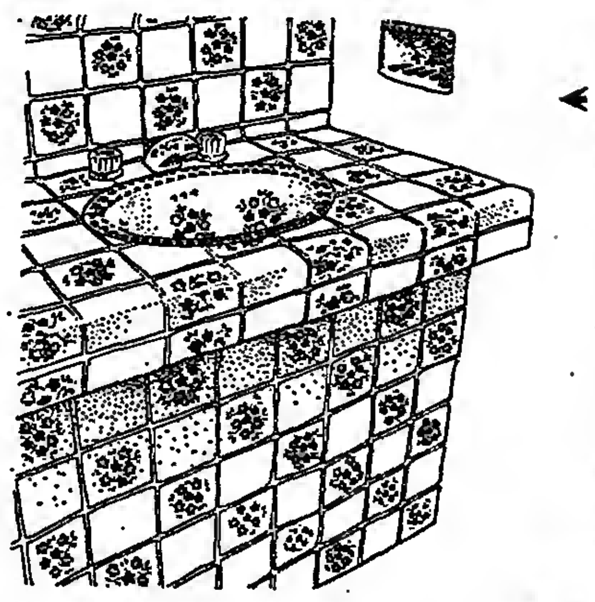
**The strange-looking cut-out bathroom, left, was devised by the architect John Prizeman, who was asked by Ideal-Standard, one of our largest manufacturers of bathroom equipment, to design a bathroom that could help those who are faced with the job of converting a largish house into smaller units and need to find somewhere to put a new bathroom. John Prizeman decided to use a system of screens, for in this way a bathing area could be created in a large room (the other end of which could be bedroom or even study) without having to make a small box-like room to house it.**

**The idea of the screens was partly derived from the historical bathing tradition when in the large country houses a tin bath was carried into the bedroom and put in front of the fire and a screen was often used to provide privacy. Besides creating a bathing area without carving up the room, the screens create an area which is much less claustrophobic—they are only door height—and the system allows a great deal of versatility. For instance, though the bathroom photographed depends upon two joined octagon shapes a smaller bathroom could be created using just one octagon.**

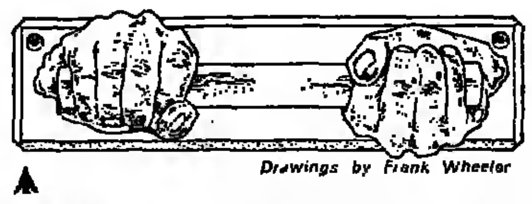
**John Prizeman faced the screens in two different materials—mirror was used on all the plain surfaces or those holding only towel rails or other small pieces of equipment. Formica's Aegean Marble 4720 was used on all the screens behind baths and basins and other more solid equipment. The Formica was also used on the floor where it looks exceedingly good but potential copiers of the idea should note that the manufacturers are a little wary of their product being used on the floor. Those who are rich enough could use real marble. The mirrors not only provide a full-length viewing surface but also give a whole series of interesting inter-reflections.**

**The screens are made of panels which any builder could build relatively inexpensively and they are thick enough to house all the necessary plumbing. The lovely film-star type mirrors above the basin were built specially for this bathroom but anybody interested in similar models could contact John Prizeman who devised them (at 53 Upper Montague Street, London W1.)**

**Ideal Standard's equipment was used in the bathroom—their recently-launched Michelangelo range by Paulo Tilche of Milan is here coloured Kashmir beige (a sort of delicate cafe-au-lait colour) and anybody interested in seeing the bathroom for themselves can do so at Louis G. Ford, 50 Sullivan Road, Fulham, London SW6 from 8 am to 5 pm Monday to Friday and 8.30 am to 1 pm on Saturdays.**



**Anybody wanting a really individual bathroom and who loves patterns and colour should take a look at the lovely Mexican basins and tiles sold by Elon Tiles of 8 Clarendon Cross, London W11. Elon Tiles offers a wonderful range of highly decorative basins—the one sketched left is called Bouquet and is exceedingly pretty but there are many other types. Some not so floral, others geometric. The basins are hand-made and not cheap—how could they be?—but at £92 for a small basin, either round or oval, or £115 for a larger one, they are so unusual and appealing as to be well worth the outlay to those who can afford it. Besides the basins, Elon Tiles has a whole range of equally beguiling tiles—ones to match the Bouquet basin are shown sketched here—as well as matching accessories like soap holders, towel rails, tooth-brush holders and so on. For a full-colour brochure send a 50p postal order to Elon Tiles.**



Drawings by Frank Wheeler

**A splendidly earthy pair of plaster of Paris hands (formed from casts of real hands) supports the wooden loo roll holder. Made by a Northern craftsman, the support at the back is wood and besides the loo roll holder there is a similar kitchen towel holder and a soap dish. The loo roll holder is about £9 and can be bought from Brats, 624a Fulham Road, London SW6 or from Stella Zingas, Oddity's, 72/3 Chalk Farm Road, London NW1, who also stocks the soap dish. Also from Meander of Leeds, Newcastle and Durham.**

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In the last of our **HOW TO EARN IT** series **SALLY WATTS** looks at ways and means of polishing up rusty skills.

## Picking up the threads

*IF YOU enjoyed* the work you did before your children were born, consider the possibilities of returning to it now, perhaps *with the help of a refresher course.*

Demand, of course, varies from job to job: Nurses and other hospital professional staff are generally needed, teachers less so, unless they have trained in subjects where qualified people are fairly rare, such as maths, science, languages. London's *Middlesex* Polytechnic runs one-day-a-week courses for graduates wanting to teach, and certificated teachers wanting to retrain — the next one starts in October and ends next June. Apply as soon as possible.

There are also specialist agencies looking, not only for people with traditional office skills, but also for economists, proof-readers, graphic designers, for example. See if there are any near you. If so, seek their advice and see what they can offer. In London there is the excellent Joan Wilkins Associates at Maida Vale, *which* opened in the early 1960s as a pioneering venture to use talented and efficient women working in their homes. Today some work at home, others go to the firm's premises. Some work full-time, others part-time.

"There is an increasing demand for temps, though not necessarily secretarial," says Joan Wilkins. "They could be linguists, researchers, editors, proof-readers, graphic designers, verbatim reporters to write minutes."

Most, though not all, of her workers live in Greater London. Some are as far away as Suffolk, and friends or husbands, commuting to London, bring the completed work and *collect* new assignments. Is there an idea here for you?

Conference *organising* is another aspect of specialised agencies. This can include booking hotel accommodation and meeting rooms, organising meals, excursions and typing, and being a general prop. One North London agency (Unique Conference Services, run in tandem with a secretarial agency) takes on all this, and has special use of people conversant *in* one or more foreign languages—though not all conference organising involves speaking another language.

For anyone with a modern languages training, there could be an interesting job *as a Lon*don Tourist Board guide. First, though, you must qualify! The evening and weekend course, plus spare-time reading, costs about £200. *It starts in* September and ends the following March with an exam—and the usual pass rate is only about *30 per cent.* You need to *speak* at least one language besides English. But do bear in mind that the busiest time of year for guides coincides *with the* schools' summer holiday.

The London course starting next month is now fully booked (book for next year by applying to the Guide Activities Department, London Tourist Board, 26 Grosvenor Gardens, SW1), but readers *in* other parts of the country could inquire at the tourist offices of their own regions.

Perhaps you have a flair for business, or *gained* business experience some years ago? You could try to get back into


this field, working for someone else. Alternatively, consider starting an agency of your own. They come in many varieties, and if you decide on one, you may find it better to do so in partnership, so that as well as sharing the work, each of you has a stand-in and the chance of some free time. But this will work only if you get on really well with your partner, and it is best if your skills complement each other's.

In more *practical terms, there* is the very useful group of courses I wrote about in an earlier article in this series, which is initiated by the Manpower Services Commission to help *people* set up businesses of *their own.*

If there is no specialised work agency (see above) in your area, you might think about opening one—provided you have a great deal of energy and determination, a liking for hard work and plenty of time. Your *main task will be to persuade* companies to provide work for the trained, efficient and reliable people on your books, so it's *best if you live in an area* where you can get a variety of work. To start with, you will have far more applications from people *wanting* to work, than from firms offering work, so you'll face the task of wooing prospective employers.

Perhaps you have a good *knowledge* of clothes? Although this is not the most promising time to open a fashion boutique, and in any event that requires capital, it is an excellent time for the good-as-new market. Many women, leading busy social lives and having to maintain a reasonable wardrobe at today's costs, would welcome the chance to buy super clothes in very good condition, for a fraction of the original price.

One woman I know began a business like this by contacting socially busy friends to ask for their almost-new clothes and accessories. Naturally they were delighted to recoup some of their original outlay, the list of "suppliers" snowballed and so did the eager customers. Set aside a room for the clothes and see people by appointment only.

A boutique selling new children's clothes is also a possibility, and in this particular line there is no VAT to contend with. Keep prices reasonable. A *good* idea is to tap *a "cottage* industry" of local mothers who could supply the sort of clothes they make for their own children. In one well-run, two-partner boutique, one mother designs and keeps the books, the other does the making up, and a manageress is employed to run the shop.

Now here is a success story to inspire the most dubious would-be returner. It is the story of Mrs. Anne Reeder, who has a shop in Ipswich carrying some 200 of her designs for children aged from six months up to 13 years. She offers parents the choice of buying either the finished garments, or kits to make them up. This service is backed by mail order and, in the case of kits, parents state size required, plus their choice of fabric and style, and receive the cut-out material, zips, buttons, size label and washing instructions.

Anna Reeder and her sister, *Mrs. Mary Watson,* of Putney, London, who is also involved with the business, are examples of how early training can be *adapted* to new circumstances. Anne was an occupational therapist, so she had sewing and craft skills, which she extended by *taking* a *City* and *Guilds* course locally in light clothing manufacture to learn trade techniques. These she imparted to her 40 outworkers (some cut, others sew), with the results that her designs combine home-dressmaking with factory methods. Her *second daughter* was born during the course and, after two weeks they returned to college together!

Her *sister,* who has two small children, used to be in public relations, so now she handles the publicity and produces the catalogues.

When her eldest child was a year old, Anne began by testing the *market,* showing *friends* a range she had designed and made. Mail order followed, then a corner of a shop, to fit in with her budget, and then the whole premises. Costing and other business aspects she learned as she went. Today, with three daughters aged five, three and one, and an au pair to help with them, she also arranges evening selling parties at which other young mothers demonstrate *her* designs, while their husbands babysit. She also has someone to mind the shop from mid-after*noon,* so *she* can be with her children. All of which shows just what *can* be achieved.

Then, what about leisure? This is a growing industry today, with expanding opportunities to work in such fields *as* audio visual, travel agencies, and hotels. To enter the audio visual field you need to take an appropriate course in further education, so get a prospectus from your local colleges and polytechnics and see what they are offering.

Or perhaps you were a secretary before your marriage, and would like to be one again? Then you are lucky! There is still a demand for good secretaries and personal assistants, so take a refresher course in shorthand (a crash course, if necessary), brush up your typing if it is rusty, and add *audio-typing* or word processing to your skills. The latter is taught as part of a Training Opportunities Scheme (TOPS) course. More firms today are asking for word processors and some want staff to do after-hours rush work on the premises.

You are on your way to finding a job. Good luck!

**ARTS**

# The Academy counts the cost

BY ANTONY THORNCROFT

This spring, for the first time since 1939, the Royal Academy could look its bank manager in the eye. The very successful exhibition of Post-Impressionist paintings during the winter had brought it in 640,000 visitors and £500,000, enough to pay off the overdraft. Now it is back in the red and facing an overdraft by the end of the year of £500,000 plus, which eats up £60,000 a year in interest charges alone. By 1982 the Academy will be £1m in debt.

Unfortunately there is no major exhibition planned which is likely to show a substantial enough profit to reduce the financial haemorrhage: Post-Impressionism was one of just a handful—the Chinese, Goya, Pompeii—of exhibitions that actually swelled Academy funds and the next ambitious venture, a most costly Japanese display scheduled for the winter of 1981-82 is more remarkable for its cost, £1.25m a record for any RA exhibition, rather than for any likelihood of profit. Fortunately the Midland Bank and other sponsors, are guaranteeing the Academy against loss on the venture but experience suggests that the public flock to shows that have an element of mystery about them (China, Pompeii) or of rare brilliance (Post-Impressionism). Japan will be a blockbuster, but for refined tastes.

So Sir Hugh Casson, President of the Academy, has to spend too much time worrying about getting in the money to keep this great British institution alive. In his five years as president annual income has more than trebled to over £450,000, mainly through the success in building up the Friends of the Royal Academy. They now number 25,000 and contribute £250,000 a year in revenue. In addition fees are charged at the Academy School; the publications department has been expanded to a turnover approaching £500,000: and the Academy has become involved with selling contemporary prints for office and home through Business Art Galleries. But even with these innovations *there is a rising gap between* income and expenditure, which is over £650,000 this year.

A full-time executive, Griselda Hamilton Baillie, has been given the task of opening up new sources of revenue. One obvious area is to develop the commercial sponsorship of exhibitions even further. Already scarcely an exhibition appears at the Academy without some company making a contribution. For the current display of paintings by the American artist Andrew Wyeth the Republic National Bank of New York put up a guarantee against loss of £80,000. It was a shrewd investment on its part—it gained in publicity and prestige and with attendances of around 1,400 daily any loss will be minimal.

In practice the Academy is the ideal subject for an industrial sponsor—it has international kudos; it offers excellent facilities for the civilised entertainment of customers and suppliers; and by choosing the right subject, as Imperial Tobacco did with Pompeii, not only does it not cost you a penny but you can even make a profit, a profit which in this instance went into further archeological studies. Some companies choose the path of kindly benevolence, such as Olivetti which paid the total cost of the Horses of St. Mark exhibition last year, including rent to the Academy; others, such as IBM with Post-Impressionism, give a guarantee against loss but do not expect to get the money back. Here it was £35,000, and a very reasonable sum, given the publicity success of the show.

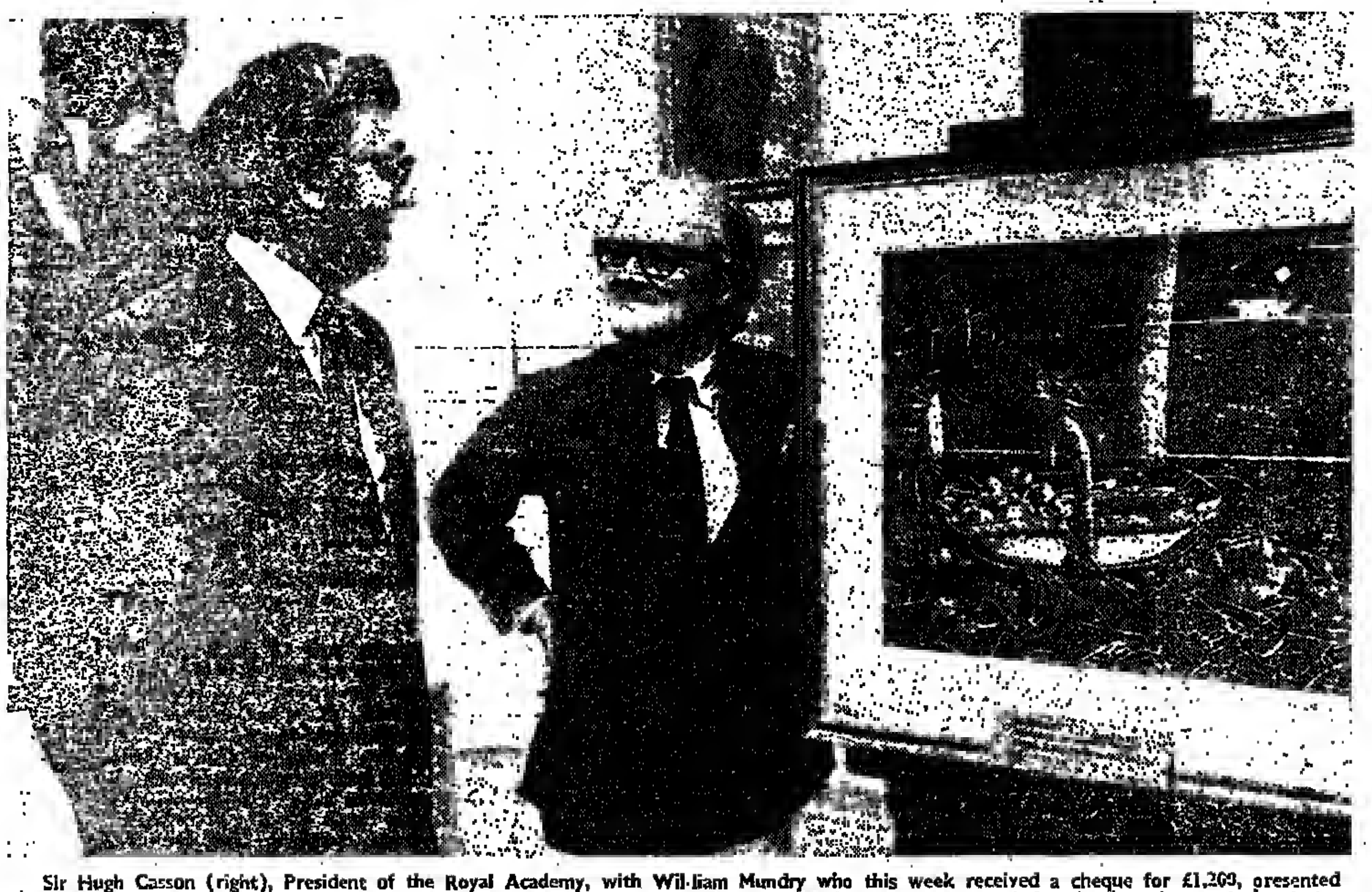
Later this year The Observer will be sponsoring (despite it's current problems) a Stanley Spencer exhibition; Esso is supporting "British Art Now: an American Perspective," currently touring the U.S., and plans are well advanced to bring in "Treasures from Chatsworth": three sponsors are about to commit themselves to this remarkable display of works of art, recently in the U.S. Talks are also underway with a possible backer for the annual Summer Show, the main event of the Academy's year.

Some RA's are upset that "their" show should be used for promotional purposes but needs must: help of £50,000 a year, the proposed sum, is what the Academy so urgently requires.

As Sir Hugh Casson says "we would keep solvent if we did not do anything," but under his presidency the Academy has become much more active, re-establishing its position in the forefront of the artistic life of the capital and the country—but at a heavy financial cost. There are, however, a few hopeful signs which could alleviate the constant cash crisis. The Academy gets no help from the Government but the Arts Council has indicated that if it were ever to get a sizeable rise in its grant it might take on the Academy as a client, though given the current desire of the Government to develop commercial aid for the arts rather than boost public funds this is a hope rather than a certainty. The Government may help, however, through two other arms—the Department of Education could supply cash to support the Academy's school of art and the Department of Environment might take the maintenance of the fabric under its wing.

The Academy is seeking to safeguard its future by developing more and more profitable sponsors (in the past the commercial backers have tended to gain more than the Academy); by such strategies as an agreement with the Inland Revenue which allows covenants for the Friends, a change, which with increased membership, could boost income from this source by a half in 18 months; and by preparing the ground for a major fund-raising drive, which if it is successful, could, at a stroke, take away the constant obsession with filthy lucre.

For, as Sir Hugh knows, the maintenance of the Academy depends on its artistic worth. In the past few years more of our leading artists are seeking to become members, which is putting pressure on the traditional limit of just 75 full RAs. The quality of the Summer Show has improved greatly, and the busier exhibition programme has persuaded over a million people to visit the Academy in a year. At last, fears that the Academy will be forced to sell off a treasure to stay in business—its Constables, or the Michelangelo Tondo are receding. There are now many avenues to explore before the last extremities are considered.



Sir Hugh Casson (right), President of the Royal Academy, with William Mundry who this week received a cheque for £1,209, presented by BP, following the success of his painting "Early Applies" in this year's Summer Show. It was voted the most popular work on display by visitors.

# Aida

BY DAVID MURRAY

New last year, John Copley's production of Verdi's *Aida* for the English National Opera earned something less than universal acclaim. Revived on Thursday, apparently not much altered, it looked like a colourable hit—in the rather special terms traditionally accorded to *Aida*. That is to say, massive spectacle was so built into the plan of the opera from the start that it is a *sine qua non* of success; if it is well-oiled, and doesn't actually swallow up the personal dramas of the principals, so much the better. Given strong solo voices, that is not too difficlut to ensure, since even the private anguishing is set out in frieze-like panels.

On most counts—on enough, indeed—the Copley show fulfills the requirements generously. The Lazaridis sets, with the substantial benefit of John B. Read's lighting (less helpful to the principals, though), are imposing and handsome enough to satisfy audience expectations (as even a brilliantly sung *Aida* in cut-rate décor would not)—it is pointlessly finicky to quibble over degrees of vulgarity when ancient Egyptian pomp is at issue, and at least the Lazaridis vision is not gross. For the judgment scene there is an expressionistically distorted monster statue that rings false, and I deplore the modern cleverness that refuses us a visibly suffocating chamber for Aida and Radamèmes to expire in, and for Amneris to pray over. The ENO often fudges Verdi's simple heart-wrenching endings in such wise; one ought *never* to notice just how such a thing is being staged. The controversial ballet of last year is gone, ritual sadism replaced now by innocuously suitable dances. The static Triumph scene disappoints: there is a sense of awaiting a brazen spectacle, which never materialises.

Still, the visual saturation is consistent and continuous; and in the hands of Richard Armstrong, a guest from the Welsh National Opera, the score is broadly and appealingly shaped. His tempi converge on a middling range — some urgent music wanted a sharper kick, whereas some melting solo passages were pressed along a trifle brusquely. The predominant note is none the less lyrical, as despite all the ceremonials it must be. Armstrong caressed the Prelude so tenderly as to revive all one's regrets about "Celeste Aida," the opening aria—so unmistakenly intended by Verdi as a hushed rapture which would, with the Prelude, fix the tone of the opera as essentially personal pathos. The "can belto" tradition demands, of course, that the tenor should at once define the opera as a shouting-match. Charles Craig's Radamès, well in the tradition, has the vital timbre, exceedingly rare among English singers; his plain musicianship is reliable, his manner suggests a civil servant struggling in unfamiliar depths rather effectively, and in the Nile scene there was live tragedy in his forceful phrasing.

The Aida is Linda Esther Gray, fresh from her triumph as Isolde. Though the voice is too soft-edged to give her music its full due — the woodwind-clarity of line the Nile scene needs isn't there—she combines confident power and thoughtfulness about nuance very satisfyingly. Her immediate sincerity is affecting, despite suggesting nowhere the exotic captive (a gentle Cinderella, rather), and she knows how to keep still to good purpose. The most fervent and stylish singing comes, intermittently, from Margaret Kingsley's Amneris—a cartoon of malevolence in the first two acts, but striking gold with many a phrase—and Neil Howlett's Amonasro, a youthful patriarch with an exciting vocal attack. Lois McDonall's offstage Priestess sounds less coolly detached than is customary; Roderick Earle is a dry King, and Richard Angas carries much looming weight as Ramfis. A general tendency to drift below pitch, beginning with the male chorus, was probably an accident of the weather. By and large, this is an *Aida* which now looks creditably built to last.

Charles Craig and Linda Esther Gray

## F.T. CROSSWORD PUZZLE No. 4,338

*A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.*

*Name* ........................................

*Address* ........................................

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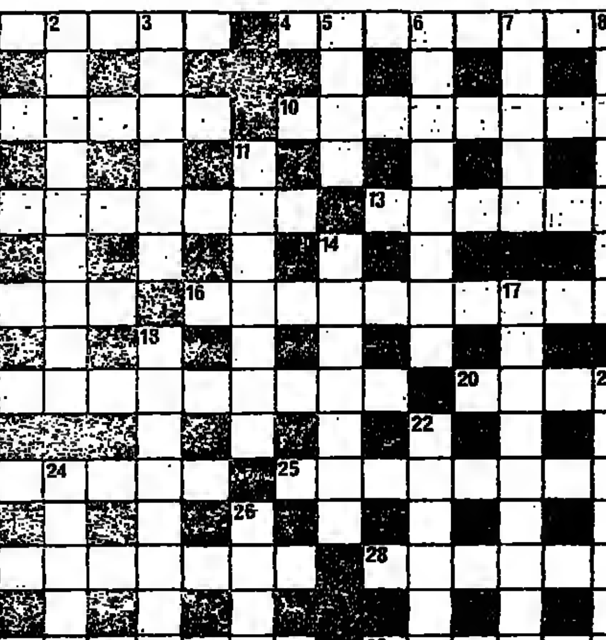


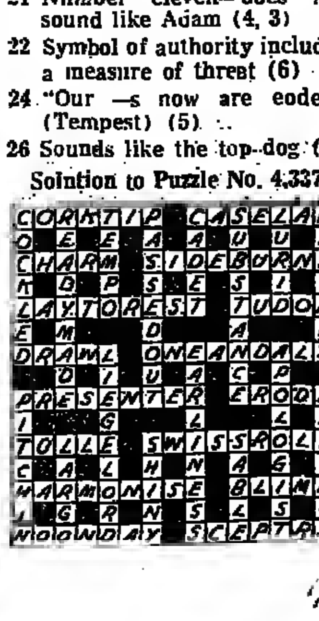
**ACROSS**

1 The fence is lacking in colour (6)
4 Coloured international gets the bird (8)
9 Rubbish—we have to decline (6)
10 Willing to yield and competent after the last word (8)
12 Bachelor takes steps for windbags (8)
13 A friend takes one to court (6)
15 Archer in the Circus (4)
16 College festivity in brilliant darkness! (5, 5)
19 We produce capital out of oils pro tem (10)
20 A stream of right and wrong (4)
23 Girl has a party in the Constellation (6)
25 He had to fight to get his wife back from Paris (8)
27 Plant the object in a basin (8)
28 We have no account to hand of this inflammable substance (6)
29 "——— is the raven hair" (Patience) (8)
30 Capital confrontation means trouble in a female (4, 2)

**DOWN**

1 Allegory suggested by putting up a bar in the enclosure (7)
2 Scattered—reverses the sergeant-major's command (4, 5)
3 Without conceit the game is up (2, 4)
5 The French politician throws light on the subject (4)
6 Restrains a nation corrupt in the Civil Service (8)
7 Snake portrayed by a nut artist (5)
8 Now shut up about the Sappers (7)
11 Disloyalty evident in the Nor' East (7)
14 Counsels short notices about immorality (7)
17 Reach part of the hospital like a winner (4, 5)
18 Concentrate when once upset about studies (8)
19 Confuses the ecclesiastic in slippers (7)
21 Number eleven—does not sound like Adam (4, 3)
22 Symbol of authority includes a measure of threat (6)
24 "Our —s now are ended" (Tempest) (5)
26 Sounds like the top-dog (4)

**Solution to Puzzle No. 4,337**



# TV/Radio

† Indicates programme in black and white

## BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 9.05 The Banana Splits. 9.30 The Flashing Blade. 10.00 Athlete. †10.25 Zorro. †10.50 So You Want To Build A House. †11.00 "Always Leave Them Laughing," starring Milton Berle and Virginia Mayo.
1.00 pm Olympic Grandstand: Olympic Games (1.10, 2.45, 3.40, 4.15); Racing from Goodwood (1.50, 2.25, 2.55, 3.25); International Powerboat Racing (2.05, 3.10, 4.00). 4.50 Final Score. 5.10 What Makes Duffy Duck?
5.20 News.
5.30 Sport/Regional News.
5.35 "Take Me High," starring Cliff Richard.
7.00 It's A Championship Knockout.
8.15 The Rockford Files.
9.05 Comedy Classic: The Two Ronnies in The Picnic.
9.35 News.
9.45 Telford's Change.
10.40 Olympic Report.
11.15 The Saturday Film: "Coogan's Bluff," starring Clint Eastwood.

All Regions as BBC 1 except as follows:
BBC Cymru/Wales—5.30-5.35 pm Sports News Wales. 11.15 Fferm A Ffermwr. 12.10 am News and Weather for Wales.
Scotland—12.45 am News and Weather for Scotland.
Northern Ireland—5.30-5.35 pm Northern Ireland News; Sport. 12.45 am News and Weather for Northern Ireland.
England—5.30-5.35 pm (South-West only) Saturday Spotlight.

## BBC 2

7.40 am-2.45 pm Open University.
†2.50 pm Saturday Cinema: "The Road To Morocco," starring Bing Crosby, Bob Hope, Dorothy Lamour.
†4.10 The Road To Utopia.
~~5.35 The Children of Theatre Street.~~
7.05 News and Sport.
7.20 Dallas.
8.10 Nine Lives.
9.00 The Hong Kong Beat.
9.30 Beyond A Boundary: C. L. R. James, the celebrated Trinidadian cricket author, reflecting on the influence of cricket on England, the West Indies, and the British Empire.
10.30 News On 2.
†10.35 Horror Double Bill: "Paranoiac," starring Oliver Reed.
11.50 Return Call To Brass Tacks.
12.00 Horror Double Bill: "Captain Kronos — Vampire Hunter," starring Ian Hendry.

## LONDON

8.40 am Sesame Street. 9.40 Fangface. 10.05 Space Academy. 10.30 Fun Factory.
12.30 pm World of Sport: 12.35 International Sports Special: Swimming (U.S. Outdoor Championships) followed by the Australian Pools Check; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Newmarket; 1.45, 2.15 and 2.45 from Thirsk; 3.10 Olympics '80; 4.50 Results Service; 5.00 Olympics '80.
5.25 News.
5.30 Return Of The Saint.
6.30 The Crowther Collection.
7.00 240-Robert.
8.00 Sale Of The Century.
8.30 From Here To Eternity.
9.30 News.
9.45 "The Rake's Progress."
12.20 am Close: Personal choice with Michael Burrell.

All IBA Regions as London except at the following times:

## ANGLIA

5.20 am Fantasy Island. 10.10 Fanglace. 7.00 pm A Man Called Sloane. 12.20 am At the End of the Day.

## ATV

9.10 am Treasures in Store. 5.35 The Television Programme. 10.00 Bailey's Bird. 7.00 pm BJ and the Bear.

## BORDER

5.10 am Treasures in Store. 9.35 The Television Programme. 10.00 The Beachcombers. 7.00 pm BJ and the Bear.

## CHANNEL

5.27 pm Puffins Pla(i)ce. 7.05 BJ and the Bear. 12.20 am The Entertainers (Acker Bilk).

## GRAMPIAN

9.30 am Cuir Car. 10.00 Superman. 7.05 pm Chips. 12.20 am Seachd Laithean. 12.35 Reflections.

## GRANADA

8.30 am Treasures in Store. 10.00 Mr. Magoo. 10.05 Batman. 7.00 pm Beyond Westworld. 12.20 am S.W.A.T.

## HTV

~~9.10 am The Television Programme.~~ 8.35 Link. 10.05 Fanglace. 7.00 pm Chips.
HTV Cymru/Wales—As HTV West/HTV General Service except: 6.30-7.00 pm Sion A Sian.

## SCOTTISH

5.10 am Treasures in Store. 5.35 Tarzan. 7.00 pm Chips. 12.20 am Late Call.

## SOUTHERN

9.00 am Sesame Street. 10.00 Fanglace. 10.27 Regional Weather Forecast. 7.00 pm The Incredible Hulk. 12.20 am Southern News.

## TYNE TEES

9.00 am Tarzan. 5.45 Moby Dick and the Mighty Mightor. 10.10 The London Rock and Roll Show. 11.00 Saturday Morning Movie: "240 Robert." 12.25 pm Check It Out Extra. 7.00 Chips. 12.20 am Poet's Corner.

## ULSTER

5.35 am Treasures in Store. 10.00 Bailey's Bird. 7.00 pm BJ and the Bear. 5.44 Ulster Weather. 12.20 am Sports Results.

## WESTWARD

5.30 am Call It Macaroni. 5.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.27 Westward News. 5.30 Cartoontime. 7.05 BJ and the Bear. 12.20 am The Entertainers (Acker Bilk). 12.45 Faith for Life. 12.50 West Country weather and shipping forecast.

## YORKSHIRE

5.00 am Fantastic Four. 9.15 Beachcombers. 5.40 Man from Atlantis. 5.30 pm Happy Days. 8.00 Return of the Saint. 7.00 The Crowther Collection. 7.30 Miss Yorkshire Television. 12.20 am The Entertainers.

## RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave only

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Steve Wright (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30-0.00 am As Radio 2.

## RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.05 David Jacobs (S). 10.07 Pete Murray's Saturday Show (S). 1.02 pm The Impressionists. 1.30 Olympics 80; Racing from Goodwood; Cricket: Schweppes County Championship; Motor Cycling: The Swedish Grand Prix (preview); Golf: The Amateur Championship. 5.45 Classified Check. 6.03 Pop Over Europe. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 Big Band Sound (S). 8.02 Country Greats in Concert (S). 10.02 The King's Collection with The King's Singers (S). 10.30 Band Parade (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-6.00 am You and the Night and the Music (S).

## RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like: Roy Fuller with records (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 BBC Symphony Orchestra (S). 3.25 Alfred Brendel plays Beethoven (S). 3.55 Offenbach Operetta: "Le Ilire ancbenic" (S). 5.00 Jazz Record Requests (S). 5.45 Summer's Day. 5.15 Beecham Conducts Sibelius. 6.45 The Organ Works of J. S. Bach (S). 7.30 Concert Part 1 (S). 7.55 Jerome K. Jerome. 8.15 Concert: Part 2 (S). 8.55 "Birdy," the novel by William Wharton adapted for radio. 9.15 Concert: Part 3 (S). 10.00 A Man Condemned to Death: Performance of the monologue by Georges Feydeau (S). 10.15 Berg and Schumann piano recital (S). 11.00 News. 11.05-11.15 Frank Sinatra on record (S).
VHF ONLY—OPEN UNIVERSITY—5.00-8.00 am and for students in Radio Scotland and Radio Cymru areas only: 12.00-1.00 am.

## RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick Of The Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Keeping Track (S). 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 Something To Declare. 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 A Dance To The Music Of Time by Anthony Powell. 3.25 Join Radio 3. 5.00 You Said It. 5.25 Injury Time. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Gregory Peck. 6.55 A Word In Edgeways. 7.35 Peter Barkworth with records (S). 8.30 Saturday Night Theatre: "South Sea Bubble" by Noël Coward (S). 9.58 Weather. 10.00 News. 10.15 Moonshine On Birds (S). 11.00 Lighten Our Darkness (S). 11.15 The Magic Of Music (S). 12.00 News.

## BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic; sport. 8.15 Weekend What's On. 8.30 Bob Powell's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00 The Queen Mum's Birthday Show. 5.00-6.00 am Join Radio 2.

## London Broadcasting

7.00 am AM with Des Fahy. 10.00 Jellybone—Tommy Boyd. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geoff Mele. 8.00 Network—The Edinburgh Arts Festival from Radio Forth. 9.00 The London Interview—Rodney M. Bennett talks to actress Jessie Matthews. 10.00 David Simmons—Nightline. 1.00 am Night Extra—Hugh Williams. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

## Capital Radio

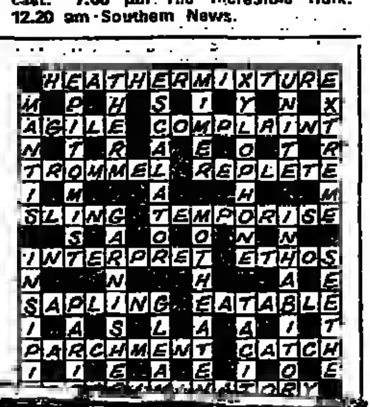
8.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.00 pm Duncan Johnson's Afternoon Delight (S). 5.00 Greg Edwards's Soul Spectrum (S). 8.00 "Summer in the City," with Nicky Horne (S). 10.00 "Roots Rockers," with David Rodigan (S). 12.00 After Midnight with Phil Allen (S). 4.00 am The Collection (classical music) (S).

**Solution and winners of Puzzle No. 4,332**

Mr. R. Butler, 83, Alexandra Avenue, South Harrow, Middlesex.

Mr. T. Earnshaw, 66 Booker Avenue, Liverpool 18.

Mrs. K. Gray, Newlands, Elton Parade, Darlington, Co. Durham.



# TV RATINGS
## w/e July 27

UK TOP TWENTY (viewers m)

| | | |
|---|---|---|
| 1 | Last Of The Summer Wine (BBC) | 11.50 |
| 2 | Parkinson Meets Peter Sellers (BBC) | 11.45 |
| 3 | Nine O'Clock News (Fri.) (BBC) | 11.15 |
| 4 | Starsky and Hutch (BBC) | 10.90 |
| 5 | ITN News (Sun.) (ITN) | 10.80 |
| 5 | Nine O'Clock News (Tue.) (BBC) | 10.20 |
| 7 | Coronation St. (Mon.) (Gran.) | 10.00 |
| | Friendly Persuasion (BBC) | 10.00 |
| 9 | Nine O'Clock News (Thur.) (BBC) | 9.95 |
| 10 | Coronation St. (Wed.) (Gran.) | 9.75 |
| 11 | News At Ten (Mon.) (ITN) | 9.65 |
| 12 | Fawlty Towers (BBC) | 9.55 |
| 13 | Grundy (Thames) | 9.25 |
| 14 | All Creatures Great and Small (BBC) | 9.20 |
| 15 | Lady Killers (Gran.) | 9.10 |
| 15 | Some Mothers Do 'Ave 'Em (BBC) | 8.90 |
| | Sale Of The Century (Anglia) | 8.90 |
| 18 | Winner Takes All (Yorks.) | 8.80 |
| 19 | Nine O'Clock News (Wed.) (BBC) | 8.75 |
| 20 | The French Atlantic Affair (ITV) | 8.50 |

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

| | | |
|---|---|---|
| 1 | 60 Minutes (news) (CBS) | 20.4 |
| 2 | Big Event—Airport 77 (NBC) | 20.1 |
| 3 | Jeffersons (comedy) (CBS) | 19.7 |
| 4 | Dallas (drama) (CBS) | 19.1 |
| 5 | Alice (comedy) (CBS) | 18.3 |
| 6 | NBC Tuesday Movie—Awakening Land | 17.8 |
| 7 | Three's Company (comedy) (ABC) | 17.5 |
| 8 | Dukes Of Hazzard (comedy) (CBS) | 17.4 |
| 9 | NBC Monday Movie—Awakening Land | 17.3 |
| 10 | Hart to Hart (drama) (ABC) | 16.9 |

**CHESS SOLUTIONS**

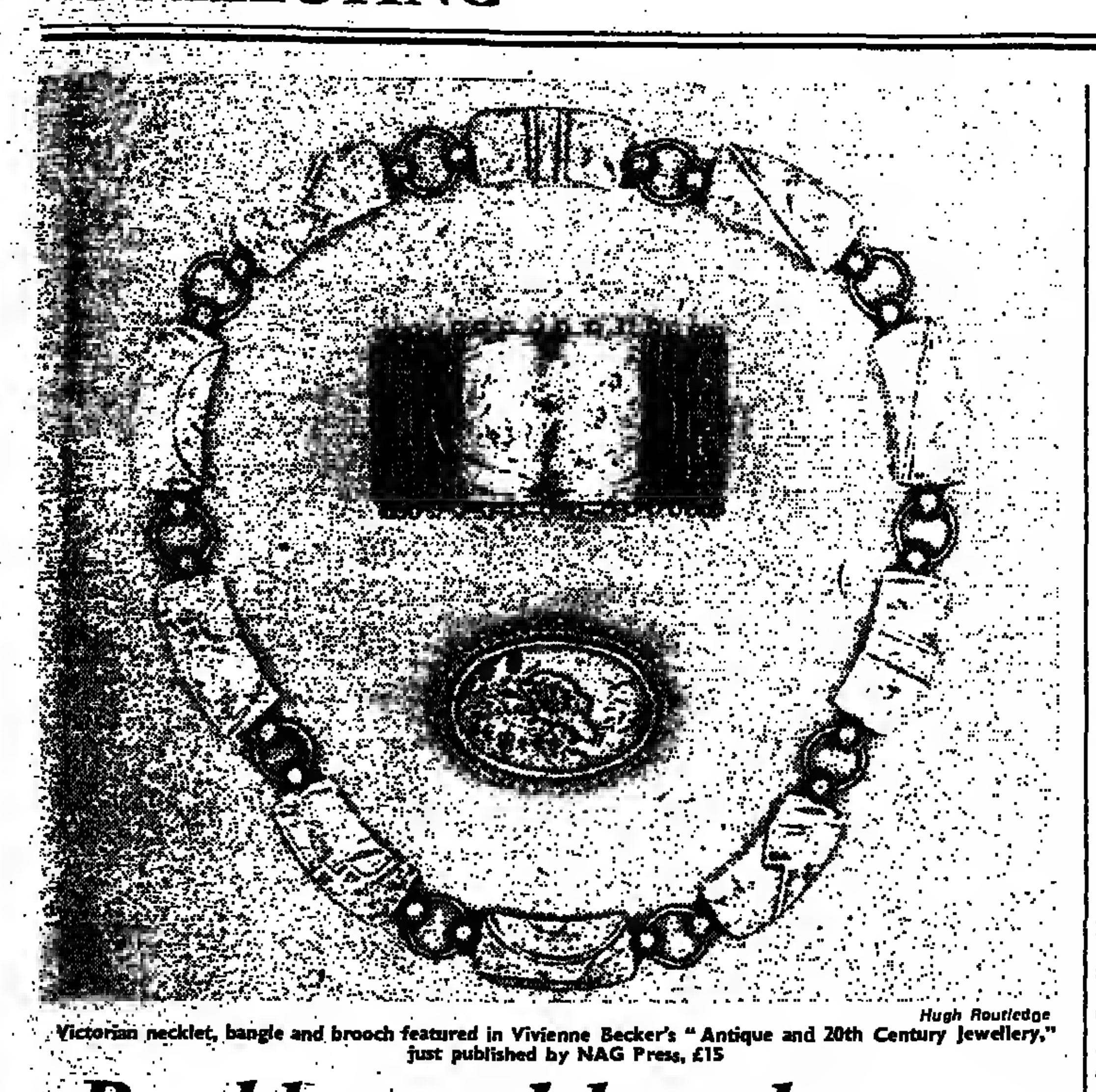
**Solution to Position No. 331**

1 R-B6, PxN (BxR; 2 RxP cb); 2 R6xP ch, BxR; 3 RxB ch, N-R2; 4 RxN mate.

**Solution to Problem No. 331**

1 R-K6, BxR; 2 BxB mate, or if B-B3 ch; 2 RxB, or if B-N1; 2 R-K8, or if B-Q1; 2 N-Q6, or if BxP; 2 R-K8.

# COLLECTING



Hugh Routledge

Victorian necklet, bangle and brooch featured in Vivienne Becker's "Antique and 20th Century Jewellery," just published by NAG Press, £15

## Baubles and bangles

By JUNE FIELD

"THE MARKET for gem jewellery has undergone considerable changes in the last decade," say Sotheby King & Chasemore, pointing out that in 1970 diamonds of good quality brought an approximate price of £100 per carat, whereas today the price per carat is about £1,000. "But the recession is making itself felt in some spberes."

In its sales at Pullborongh, West Sussex, last month, jewellery, wbere the principal diamond weighed one carat or less, sold well, the depression in the market for large stones was still evident. The highest price, £3,800, was realised for an unmarked yellow-gold diamond and pearl-set oval pendant, while a diamond and 1.50 carat emerald three-stone ring sold for £2,600.

The field of Victorian jewellery still remains open for the more modest collector, largely because a vast amount was created from lesser known materials such as the agates, coral, crystal, tortoiseshell, iron and steel and so on, as well as from the big five precious gems, the diamond, emerald, ruby, sapphire and pearl.

The lower end of the market has seen a steady increase both in price and interest over the last two years. Mr. Albert Middlemiss, director in charge of jewellery at Christie's, reports that suites of Bohemian garnet (so called because it was made in Bohemia towards the end of the 19th century), which are nsually mounted in low-quality gold or even base metal, can now make £1,000 if they are in good condition. Whereas five years hack they would have made less than balf that amount.

And in the current (July) investment issue of *Antique Collecting* magazine, be comments: "Fine coral necklaces have shot up, and amber beads, which a few years ago one could hardly give away, now make £100-£200." (The cluh subscription, incidentally, which includes a regular journal which also discusses everything from paintings to pottery, is £7.95. Details from Mr. John Steel, ACC, 5 Church Street, Woodbridge, Suffolk.)

Shakespeare's Richard II was willing to give his jewels for a string of beads, hut diligent collectors will not need to go to such lengths. And the advantage of lesser gema is that they can still he worn and enjoyed without too mucb of the responsibility of their grander counterparts. As Goldsmith wrote: "Friend, I never gave thee any of my jewels! No, hut you have let me look at them, and that is all the use yon can make of them yourself; moreover, you have the trouble of watching them, and that is an employment I do not much desire."

An invaluable aid for the oovice as well as the expert is Vivienne Becker's delightful new book, *Antique and 20th Century Jewellery—A Guide for Collectors* (NAG Press, £15 from bookshops, or plus 75p by post direct from Susan Hnnt, Northwood Books, 93-99 Goswell Road, London EC1). The author, who at 27 bas already made a name for herself as a jewellery bistorian, reveals the eoormous variety of pieces that bave passed through the trade in recent years. It is the kind of jewellery that can still be found in small antique shops and in antioue markets, rather than the rare museum pieces.

Miss Becker's aim is to lead the collector to recognise and appreciate good style: "The pure designs wblch were very much part of their age, quality and craftsmanship — however humble the materials may be."

Her advice is to start off with such things as ailver love brooches, worn by late 19tb century servants, Scottish pehble jewellery of the late 1860's and the dramatic Egyptian revival jewellery of the 1920's, which was aparked off by the discovery of Tutankhamen's tomh in 1923. "Belt buckles, ear-rings, and tiny cbarms were all adapted to the Egyptian taste. Rings were copies of scarab rings, with the stones set in a swivel mount and authentic gold wire wound aronnd the shoulders."

Other items to look for are loekets (their name presumahly deriving from the French *locquet*, the tioy latch which secured the case of medieval blnged pendants with their compartmeots for holy relics), *soutoirs* (long pearl or chain necklaces, often with a tassel at the end, popnlar ln Edwardian times), and lace pins, a favourite of Queen Alexandra, worn as a fastening for folds of lace; some of the finest of the 20th century work are the signed pieces of the *ort nouveau* and *art déco*, but much of it bas already been discovered and found its way into specialist dealer's hands or Sotheby Belgravia sales.

If you have some old jewellery that needs repair, you can take it ln to R. Holt and Co., 111, Hatton Garden, London, EC1 (01-405 0197/5286, opeo 9.30-5 weekdays). Mr. Robert Holt, one of the principals, told me that although their work is mainly for the trade, they also welcome inquirles from serious collectors; they can replace precious and semi-precious stooes missing from antique pieces, matching them up from the originals, and cutting them into the shape of the old setting. What they do not undertake is to repair the settings. Work on items in ivory is also one of their specialities.

## Changing the course of champions

GOLF

BEN WRIGHT

FEW ASPECTS of the game evoke fiercer more varied emotions than alterations, some only proposed and others actually carried out, to the acknowledged great old coruses of the world in order to hring them into line with modern, vastly improved golfing equipment.

For instance, the letters I received when proposing rather flippantly, some time ago, that the Valley of Sin on the 18th hole of the Old Course at St. Andrews sbould be permanently filled with water, served by a man-made tributory of the swilcan Burn so that the vast flat fairway common to the first and 18th holes would be neatly cut in two, were incredlbly hoatile.

Yet tbe two holes in question, particularly the 18th, are without doubt dull, inadequate and undemanding by modern cbampionships standards.

Royal Birkdale bas been substantially altered and I believe improved since I saw my first Open Championship there in 1954, while changes made at Royal Lytham, Royal Troon and Turnherry, although far less radical, have been far from insignificant.

Royal St. George's, Sandwich, the veoue for next year's Open has been vastly upgraded hoth aesthetically and physically since the championship was last played there in 1949.

In the U.S., the Open Cbampionship venues are less permanent. It has become the fashion to alter them long in advance, in an attempt to toughen them up. The great Bobby Jones strongly believed that it was oecessary regularly to change even his heloved Augusta National and perennially one has returned there ln spring to discover these alterations, sometimes subtle or even negligihle, sometimes obvious and anything but discreet like the ugly, unnatural looking mounds whicb scar the lovely par 5 15th hole.

Will Muirfield or Baltusrol be altered just because the best golfers in the world, raked and pillaged both of them during this year's British and U.S. Opens when each was found with defences down in freak weather conditions? I hope not.

To try to improve either would be aa stupid as aaking an apprentice housepainter to restore a Micbael Angelo or asking Andy Warhol to brush up a Constahle or a Turner landscape.

Next week the USPGA championsbip, the last of the world's four major events, will be played over the east course at Oak Hill Couotry Club in Rochester, New York, which was desigend by the legendary Scottish expatriate Donald Ross in 1926, hut has ben drastically altered exactly 50 years later.

The old 5th hole of 180 yards has disappeared completely, while the 440 yards 6th, a Ross masterpiece described by Lee Trevino at the time be won hia first Open at Oak Hill ln 1968 as "one of the best boles I ever played," has been drastically altered and now measures 419 yards.

The old hole was a dogleg to the right with willow trees and a creek that meandered down the right, crossing the fairway 40 yards in front of a two-tiered green bunkered on hoth sides, and running down its left side.

My good friend, the noted architect George Fazio, and his nepbew and partner Tommy, have moved the tee back 40 yards, put in three hunkers to the left of the fairway, ploughed up the old green and placed a much smaller elevated putting surface bard by the creek where it crosses the fairway. In spite of the absence of greenside hunkers the hole is much tighter now.

The new 6th hole is an entirely new par three of 175 yards that uses the same creek and whose green is almost in the same place occupied by the old 6th green but approached from a different angle. The creek runs in front, to the left, and then hehind the green, whicb has one large bunker set in its right front corner.

What the Fazios bave created are two holes wbere fivea, sixes and even sevens will be easily scored and angrily suffered.

Tbe new 178-yard 15th hole replaces one of 165 yards. A brand new pond has heen installed to the right of the green and two new hunkers protect the left. The 18th bole bas been simply, but almost completely changed in cbaracter by moving the green forward to the edge of a ravine—some 35 yards—and taking tbe tee backwards by about the same distance so that the drive now lands on an upslope instead of carrying a hill.

Similarly the second ahot is much more demanding in that it must carry right to the green wbereas in the old days, it could land sbort and still bounce on.

There are other alterations whicb bave been effected by the Fazios hut these four virtually new boles are as dramatie as they are controversial. Opinions of them in the club are as sharply divided as one might expect.

I played the new hole in July, 1977, when they were incomplete and immature, with the touring professional Terry Diehl, a Rocbester resident who is an bonorary member of the club and a much respected local sports writer, Bruce Kocb, a low bandicap amatenr.

I was not impressed by the cbangea at that time becauae I thougbt thev were out of character with the rest of a typically Ross-type desien. But there was no doubting the toughness of the new holea, whicb will be seen on ITV oext weekend when tbe championship is carried live by satellite. I shall reserve judgment on them, until next week.

One thing is certain, bowever. Oak Hill bas yet to produce anything hut great champions. In addition to Trevino, who won from Jack Nicklaus ln 1968, the 1956 Open was won there hy Dr. Cary Middlecoff from Ben Hogan and Juliua Boros, who tied for second place. Cbarles Coe, arguahly the best post war American amateur, won the U.S. Amateur championship there in 1949.

When three professional tournaments were played at Oak Hill in the 1930s and 1940s the winners were Hogan, Sam Snead and Leo Diegl. In view of that exaulted roll of honour, I wonder whether it was really necessary to cbange a great course which was devastated hy Trevino, when—like Muirfield and Baltusrol — it was thoroughly softened up by rain.

I believe Tom Watson will win his first U.S. PGA cbampionsbip to save the new face of Oak Hill, in a bigh scoring event.

Tom Watson

## The age of scripophily

COINS

JAMES MACKAY

THE STORY OF scripophily, the newest of the collecting hobbies, is almost as colonrful as the bonds and share certificates themselves, and of late its performance has been just as erratic. The scripophilic fever that gripped collectors a year ago had an uncanny parallel in the South Sea Bubble of 1720, and it seemed for a time as if the market for certain defunct Chlnese and Russian issues would continue to rise indefinitely.

Herzog Hollender Phillips and Co., appropriately located in Old Bond Street, publish an interesting brochure entitled *Collecting Old Bonds and Share Certificotes — An Introduction*, circulated free to potential clients, and claim therein that £381 invested in the UK equity market in March, 1978, based on the FT Index, would have heen worth only £375 by September, 1979; whereas the same sum invested in a mere 20 Chinese honds, selected at random, would have been worth £6,325.

To he sure, these figures are hacked by auction realisations up to ahout Octoher, 1979, wben the rarer Chinese bonds regularly fetched thousands and individual star performers, such as the £500 hearer honds of the Imperial Chinese Government 4 per cent Gold Loan of 1898, even reached five figures. An ltem auch as this, with only 19 in existence, is regarded as a barometer of the market and its performaoce in the saleroom ls always keenly noted.

Sothehy's entered the scripophilic field on March 19 with a fioe array of carefully chosen ltems and the results were most enconraging. Significantly, bowever, the most important lot in the sale proved to be disapnointing. This was yet another example of the famous £500 Chlnese hearer bonds and it carried an estimate of £12,000-£15,000, but it bad to be bought in at a mere £6,600. In fairness it should be pointed oot that this particular specimen bad been extensively restored, bnt ooe assumes that this factor was taken into consideration when the auctioneers arrived at their estimate.

A certain flagging of interest in the once-fashionable Chinese and Russian boods was also noticeable in Christie's numlsmatic sale on February 25 where prices realised tended to be substantially lower than the estimates. On the other hand, interest appears to have switcbed to early British bonds and certificates and in most instances the sums paid were in excess of the estimates. What is even more encouraging is that the rise in the value of obsolete British stock has been much more gradual, hut the growth bas been steady and there are several factors whlch should make for greater stability.

The amount of availahle material is strictly limited, whereas the number of potential collectors of British bonds *is almost infinite. These certificates* may lack the glamour and exotic atmosphere of the Chinese bonds, hut they more than compensate for this in their inberent interest.

This is particularly true of issues relating to companies or undertakings with a strong local flavour. They appeal to the rapidly growing band of collectors whose interests are confined to all the different collectables pertaining to their own locality. Where a local hond incorporates a view or some prominent landmark the interest is considerably enhanced. In many instances the printer who prodnced the bond also published pictorial stationery using the same pictorial vignettes and lt is thus possible to link old bonds to other forms of ephemera.

The collectiog and study of old bonds is inextricahly linked to notaphily, the collecting of paper mooey, and hoth are facets of banking history and economics. Significantly scripophily had its beginnings in Frankfurt where two hankers, Ulrich Drumm and Alfons Henseler, produced catalogues of Russian railway bonds and Chinese stocks respectively as part of their Ph.D. theses.

*These catalogues* were subsequently pnhlished and from the interest they aroused Drumm and Henseler went on to form Freunde Historische Wertpapiere, now the leading society in the world devoted to the study of defunct honds. For collectors in the United Kingdom there is the Bond and Share Society, and a stamped addressed envelope to Mr. B. W. Mills of 56 The Avenue, Tadworth, Surrey KT20 5DE, will produce details.

The background to the subject is given in *Collecting Old Bonds and Shares* by Robln Hendy (Stanley Gibbons, 95p) and the same author has collaborated with Colin Narbeth and Christopher Stocker to produce *Collecting Paper Money and Bonds* (Studio Vista £6.95), coverlng scripophily ln much greater depth. Although there is a need for a hook dealing specifically with old honds, one can appreciate the logic of linking scripophily to paper money, as in this excellent introduction.

*Th authors*, three of the foremost experts in their field, have certainly explored every facet of their subject, from the rise of hanking and the evolutioo of paper money to the development of bonds and share certificates and the technicalities of design and production. There is a great deal of pertinent advice on forming a collection rather than a haphazard accumulation and an lnvaluable guide to the market value of all the items reproduced ln the text, at the time the hook went to press.

It is encouraging to note that, while a few of the Russian and Chinese start performers have dipped in the past few months, most of the others have sbown a significant increase and this demonstrates quite clearly the generally healthy state of scripophily.

## BRIDGE

E. P. C. COTTER

*I am so often asked to explain the Rule of N mious 1 tbat,* though I have diacussed it before, I feel that I must deal with it once again. If players really understand this rule, they will be able to add Squeeze Play, commonly held to be the province of tbe expert, to their repertoire.

Let us start by examining this three-card position:

```
            N
            ♠ —
            ♥ —
            ♦ —
            ♣ A 10 7
W                     E
♠ —                   ♠ J
♥ Q                   ♥ 9
♦ —                   ♦ —
♣ Q J                 ♣ 9
            S
            ♠ —
            ♥ 10
            ♦ A
            ♣ 6
```

South, the declarer, has reacbed the squeeze position. When he plays the diamond Ace, the squeeze card, West cannot withstand the pressure, and must either discard his heart Knave, setting up declarer's ten, or a club wbich allows dummy to score two tricks in the suit. The *squeeze* is operable because at the moment when the squeeze card is played, West has nothing but busy cards. This number is represented by N, whicb in this case is 3. The Rule of N minus 1 refers to the number of un*interrupted winners that must* be beld by the declarer. N minus 1=2, and declarer has two such winners, the diamond Ace and the cluh Ace. To put it more simply, when the squeeze position is reached, the victim must bold nothing but busy cards and the declarer must be able to win all but one of the remaining tricks.

Now take a complete hand:

```
            N
            ♠ Q 7 3
            ♥ A 6
            ♦ K J 3
            ♣ A 10 7 5 4
W                     E
♠ 8 5 4               ♠ J 10 9 2
♥ K Q J 8             ♥ 9 5 4 3
♦ 7 2                 ♦ 8 6 5
♣ Q J 8 3             ♣ 9 2
            S
            ♠ A K 6
            ♠ 10 7 2
            ♦ A Q 10 9 4
            ♣ K 6
```

You are in a contract of six no trumps, and West leads the heart King. You have 11 tricks, and a squeeze is your only bope for the twelfth. You win the first trick in dummy, cash three spades, the club King, and four diamonds to leave this four-card position:

```
            N
            ♠ —
            ♥ 6
            ♦ —
            ♣ A 10 7
W                     E
♠ —                   ♠ J
♥ Q J                 ♥ 9 5
♦ —                   ♦ —
♣ Q J                 ♣ 9
            S
            ♠ —
            ♥ 10 7
            ♦ A
            ♣ 6
```

You lead the diamond Ace, hut West bas no problem—he simply throws the beart Knave. He is not squeezed because his csrds are not all busy. He has one idle card, which he can discard without emharrassment. You failed to squeeze West because you did not *rectify the count*, that is, you did not obey the rule of N minus 1.

Put more simply, wben you try to make 12 tricks and have only 11 winners, you must let your opponents win the one trick to which they are entitled *early*. If you do this, the idle card will have been removed from the victim's band when you reach the squeeze position.

If you bad allowed West to win the first trick, you would bave arrived at the three-card position at the beginning of this article, you wonld have squeezed West, and made your slam.

And that is wbat N minus 1 is all about.

## CHESS

LEONARD BARDEN

The biennial Robert Silk Young Masters is always an interesting proving grouod for rising talent. First prize for the home players is a fellowship valid for travel to overseas tournaments, and former winners Stean, Nunn, Hartston, Speelman and Bellin have all become grandmasters or British champions.

The Robert Silk is sponsored by Property Equity and Life Assurance and held in St. Botolph's Hall aa part of the City of London Festival. Participation of three overseas IMa gave a cbance to qualify for world rankings and title norms. The enthusiasm of Donald Silk, chairman of the sponsoring company, and the tournament's link with the bistoric traditions of the City provide a unique flavour for which invitations are eagerly accepted.

Like the Phillips and Drew Knigbts at Easter, tbe Robert Silk ended in a close finish between evenly matched players. Faced with a triple tie for the main award, the sponsors gracefully conceded two extra travel fellowships. Scores were Schussler (Sweden) 6 out of 9, Flear, Hodgson and Wella 5, Goodman and Plasket 4½, Giam (Singapore) and McNab (Scotland) 4, Karaklaic (Yugoslavia) and Hebden 3½.

Flear and Hodgson qualified as FIDE Masters, while Wells reached the FM norm. It was disappointing that none of them achieved the hlgber international master score but even so Julian Hodgson becomes, at 16, the youngest FM in Europe while Ian Wells, his junior by some months, is tbe youngest in the world with an FM norm.

Ian Wells's results already include a 2-1 matcb victory over Russian grandmaster Kotov and a dozen individual wins against masters. His ability wss spotted at age 10, and Lloyds Bank and Slater Foundation scholarships gave him early opportunities in international chess. Several good judges consider him the most promising of all our younger juniors next to Nigel Sbort—as evidence, consider this week's game which shows the mature strategic control of a master.

White: I. D. Wells. Black: D. S. C. Goodman. Opening: Modern Defence (Robert Silk 1980).

1 P-K4, P-KN3; 2 P-Q4, P-Q3; 3 N-QB3, B-N2; 4 P-B4, N-QB3. (Theory, as analysed in Nunn's useful recent guide The Pirc for the tournament player, prefers 4...N-KB3, bot Goodman bas successfully played the text in earlier games. 5 N-B3? would now he a mistake because of B-N5 breaking up Whlte's pawns.) 5 B-K3, N-B3; 6 B-K2, O-O; 7 N-B3, P-QR3; 8 P-QR4 (more solid than 8 P-K5, N-KN5 as in Vera-Goodman, world youth championship 1978), B-N5; 9 P-K5, N-Q2; 10 O-O, P-K3; 11 N1KN5! BxB; 12 QxB, P-Q4; 13 K-R1!

(Good long-term thinking. The ceotre is blocked, White can slowly build up a king's side pawn advance backed by the beavy pieces, and sooner or later this means clearing KN1 for the rook.)

13...P-KR3; 14 N-B3, P-KR4; 15 P-R3, P-B3; 16 QR-Q1, Q-K1; 17 R-KN1, Q-B2; 18 QR-KB1, N-K2; 19 P-KN4.

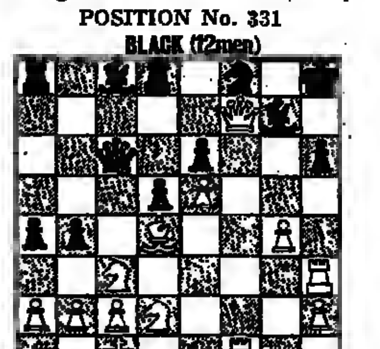
19 ...RPxP; 20 RPxP, P-QB4; 21 Q-R2, N-B3; 22 K-N2, PxQP; 23 R-KR1, KR-B1; 24 BxP, NxB; 25 NxN, P-B4; 26 PxP, NPxP; 27 K-B3!

(Now the attack is decisive. The threat is QR-KN1 followed by Q-R7 cb and R-N6.)

27...K-B1; 28 QR-KN1, K-K1; 29 Q-R7, B-B1; 30 QxQ ch, KxQ; 31 R-R7 ch, K-K1; 32 NxKP, Resigns.

POSITION No. 331

BLACK (12men)



WHITE (13men)

W. N. Watson v. M. Alcock, Grieveson Grant British Championsbip 1979. White to move; how did be win quickly?

The 1980 British Championship, again sponsored by stockbrokers Grieveson Grant with a first prize of £1,200, opens at the Brighton Centre on Monday. Play continues every day except Sunday until August 16, with England internationals Nunn and Speelman favourites to win this year's title.

PROBLEM No. 331

BLACK (5 men)

WHITE (7 men)

White mates in two moves, against any defence (by Colin Russ, Herne Bay, Chess Life 1980).

Solutions, Page 12

**FINANCIAL TIMES**
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Saturday August 2 1980

# The dangers of overcharging

LIKE THE Laputans' plan, described in Gulliver's Travels, for making pillows and pin cushions out of marhle, the Governmeot's idea of curing inflatioo by raising prices has the single virtue of originality. Nothing could illustrate more clearly the inoer contradictioos which the Government bas allowed to creep into its public speoding strategy than the large price increases announced this week by the electricity industry and the telecommunications side of the Post Office.

Coming on top of sharply higher fares from British Rail and London Transport, another adjustmeot in gas prices and the likelihood of supplementary rates demands from at least some local authorities, the higher telepbone and electricity tariffs are bound to reduce the prospects for a rapid fall in inflation, and inflationary expectations, this autumn. Over the past twelve months nationalised industry prices bave, on average, risen by 28.8 per cent, compared with an iocrease of 21 per cent in retail prices generally.

There bad been bopes that this self-inflicted inflationary damage could he eliminated, or at least reduced, after last year's once and for all adjustments. It now looks, bowever, as if Government policy will result in further rises in nationalised industry prices, to say nothing of council house rents and local rates.

The Government's dilemma is that increased charges in the public sector appear to bold out the only bope of meeting the targets it bas set itself for the Public Sector Borrowiog Requirement. Even at this early stage in the financial year and the economic downturn it is obvious that several key public spending programmes are threatening to move well above their targets.

Of these potential over-runs, the prohlems with the social security budget and with the nationalised industries' external financing requirements are, in part, natural and predictable consequences of a deepening recession. Excessive growth of the defence budget and of local authority spending, on the other hand, are attributable largely to a loss of cootrol by Whiteball.

High pay settlements bave, of course, made the higgest contribution to the excessive growth of public spending, tbe Government's fresh determination to control civil service pay is ao indication that it recognises this. But, as in the case of the underlying programmes, the effects of loss of control over pay have not been uniform throughout the puhlic sector. Pay increasea have been the most important factor in the over-spending of the local authorities and of the Whitehall departments. Unconstrained pay increases for the armed forces, in particular, bave contrihuted to the inflation of the defence budget. The nationalised industries' growing financial requiremeots, bowever, are less directly attributable to pay settlements than the Government bas been suggesting.

As the hatcb of nationalised industries reporting during the past few weeks have made clear, they are subject to exactly the same economic forces as are at present producing the largest slump in private corporate profits in post-war bistory. It is, on the face of it, unlikely that the natiooalised sector can improve its profitability sharply, as the Governmeot's plans require, at a time wben the private aector is gripped by recession. In the case of Britisb Steel tbe Government bas recognised that its target of eliminating operating losses by the current year is unattainable. A statement acknowledging the same unpleasant reality about British Shipbuilders is expected.

Several of the other natioonalised industries, however, are in monopoly positions which enable them to increase prices almost irrespective of tbe state of demand in their markets. Government-imposed borrowing limits have not so far prevented them from making excessive pay settlements. Thus, while the gas, electricity and telecommunications industries face tbe same ecooomic pressurea as the private corporate aector, they are ahle to unload the adverse effects on to other industries and domestic consumers. In most countries, the Government or some other regulatory authority has the power to prevent such action. But in Britain at the moment the Government appears to he encouraging, and even obliging, the utilities to exploit tbeir monopoly positions.

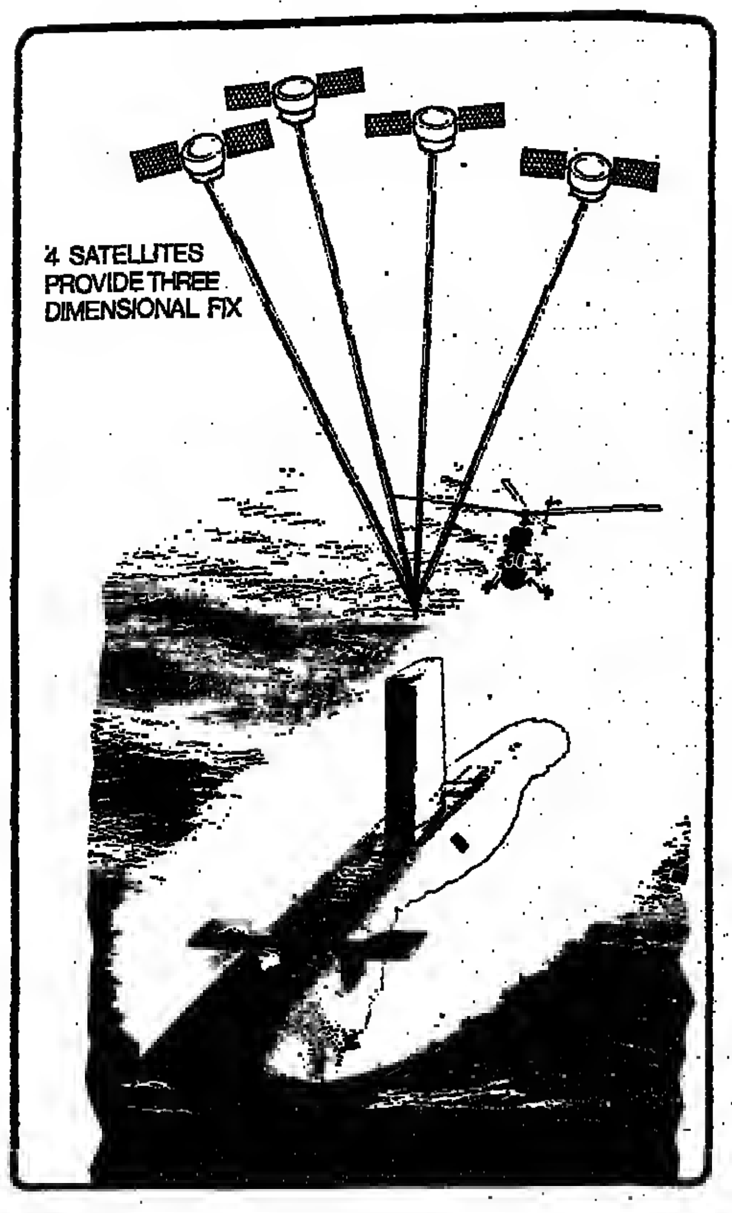
It is true that the most spectacular of the puhlic sector tariff increases have been in the energy industries, where they are justifiahle as a contribution to energy conservation policy. But this justification does not exist for raising telecommunication charges and the energy argument can actually be stood on its head when it comes to puhlic transport fares. Even in the energy industries, the true motivation of bigher charges seems to be the Government's need for larger contributions to the Exchequer: by reductions in other prices.

There is a danger that the nationalised monopolies' charges could be turned into a temptiog new source of indirect taxation, with which to pay for income tax cuts and overspending in other parts of the public sector. There bave to be limits on the nationalised industries' ability to borrow in order to finance inefficiency and high pay awards, but the Government needs a policy to ensure that controla on borrowing do not simply result in less productive investment and higher cbarges.

**BRITAIN ON THE TRACK OF A NUCLEAR GYROCOMPASS**

# Navigating the Navy into the 1990s

**By DAVID FISHLOCK, Science Editor**




A NUCLEAR gyroscope may join the nuclear propulsion system and nuclear weapons in the fleet of Trident submarines being planned for the Navy as Britain'a new strategic nuclear deterrent. Except for the Lockheed missiles themselves, these long-range submarines—the biggest the Navy has ever known—will be equipped with propulsion, guidance and control systems for their weapons designed and developed in Britain's own defence research centres.

The nuclear gyroscope is one of the advanced technologies of navigation taking shape in an elegant country manor in South Bucks, which dates its history from the Doomsday Book. American defeoce scientista said tbe gyroscope was an impossibility. But the British lahoratory's concentration of natural resources and expertise in navigation is "unique in the UK, and, we believe, in the Western world," claims Mr. Peter Grantham, a senior defeuce scientist.

Polaris, Britain's present strategic nuclear deterrent, takes its name from the Polaris star, as Americans call the Pole Star. This is a token of the fundamental importance of navigation to a weapon system designed to spend up to three months at a time beneath the sea, and still know precisely where it is in relation to targets 2,500 miles away. The Pole Star is the reference point from which the entire system is set up, keeping its missiles locked on their targets as it cruises through the oceans.

The Trident submarines which are to replace Polaris will navigate by man-made "stars." They will use the Navstar system of 18 artificial satellites, scbeduled to be launched by the U.S., in the mid-1980s to provide a global navigational fix for all NATO military operations. Navstar promises accuracies previously unheard of—a fix to within 16 metres in three dimensions, for example. Anything within two miles is pretty good today. With Navstar a vessel sbould be able to steer confidently through the narrowest of lanes swept through a minefield, for example.

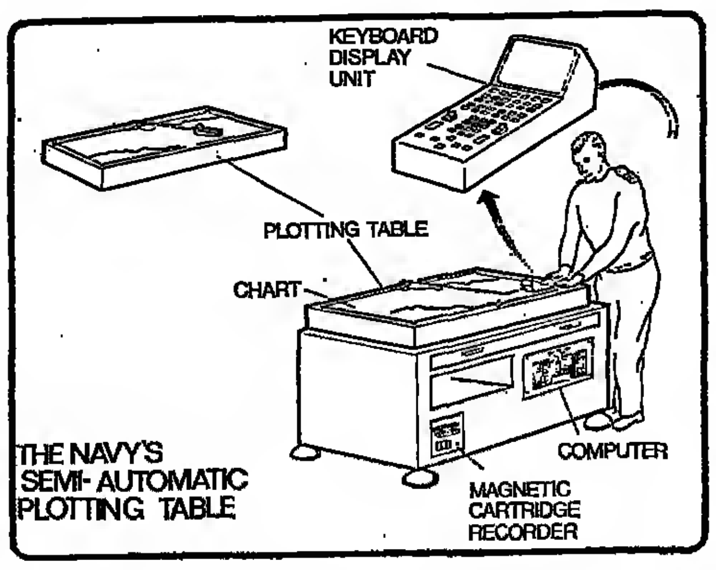
The technology which will enable the Navy's new submarines and surface ships to steer by Navstar is taking shape at the Admiralty Compass Observatory in Ditton Park, near Slough, Bucks. This country manor is one of the laboratories of the Admiralty Surface Weapons Establishment near Portsmouth, which in turn is one of the 12 research centres of the procurement executive of the Ministry of Defence.

The technology of navigation is poised for a dramatic leap forward, says Mr. Grantham, head of the research centre'a engineering and navigation department. The factors wbich have contributed most are rapid progress in miniaturising mechanical as well as electronic instruments, the possibility of integrating different navigational aids which traditionally bave been nsed quite independently by aailors, and entirely novel scientific opportunities.

When in 1919, the Lords of the Admiralty were driven hy the arrival of the DC electric tram to find another home for their research on magnetic compasses, they chose more ahrewdly than they could then bave known. Their lordshipa were seeking a site of naturally stable magnetic field. They found Ditton Park in the Thames Valley.

As it turned out, the 20-acre park not only enjoys remarkable magnetic stability but has proved to be seismically exceptionally stable—in fact, vibration-free. A deep moat round the grounds cushions it against earth tremors sucb as vibration from the M4 nearby. Just bow effective that is became clear wben the moat dried up in the drougbt of 1976. The algae-encrusted moat also adds another harrier to the aecurity of a laboratory right at the forefront of weapons technology.

The Admiralty Compass Observatory's scientists, beaded hy Mr. Edward Hoy, have successfully resisted all efforts to expel them from tbeir "ivory tower" in the interests of defence researcb economies. The whole isthmus of Portland Bill near Weymouth, for example, wbere the Admiralty Underwater Weapons Establishment develops torpedo systema and other closely-related technology for suhmarines and whicb migbt bave offered the observatory a new home, rocks back and fortb through aix seconds of arc under the weight of eacb tide. Six seconds of arc is a hig swing for researchers who are aligning bearings with tolerances of one-tenth of a micron (4 millionths of an inch) and measuring rotational displacement in gyroscopes with an accuracy equivalent to one revolution in 4,000 years.



THE NAVY'S SEMI-AUTOMATIC PLOTTING TABLE

The idea of using the gyroacope as a non-magnetic instrument for maintaining a fixed direction reference is credited to an American, Elmer Ambrose Sperry and dates from 1911. Today the gyroscope is the beart of every high-accuracy guidance stabilising system. The Navy introduced SINS—ship'a inertial navigation system—with its ultra-bigh precision mechanical gyroscopes, in its first nuclear suhmarine, the Dreadnought, in 1963.

SINS, a kind of super-gyroscope equipped with electronic controls, is essential for the accuracy and stability demanded of the strategic noclear deterreot, where the missions served are very long compared with a missile or aircraft, and the submarine's position must be re-checked aa rarely as possible for security reasons. A Mark 2 version of SINS, developed over the past few years at the Admiralty Compass Observatory, has just heen put into production by British Aerospace at Stevenage, Herts., using manufacturing techniques developed hy the defence laboratory.

But each of the three gyroscopes needed for SINS costs ahout £40,000, making it an expensive as well as a bulky technology. Nuclear submarines and command vessels must have duplicate systems for extra security. By this means British submarines have twice navigated beneath the North Pole icecap, "wbere everywbere is south," as ooe scientist puts it. But because of the cost most Navy vessels today are still not equipped with even one SINS.

They will need it in future, bowever, forecasts Mr. Grantham. The admirals are moving closer to seeing their ships as integrated fighting systems; even as groups of such systems, working together to give mutual support in hattle. The defence chiefs even envisage the integration of fighting systems of all three service arms. If the various systems are not to be in danger of confusing and even destroying eacb other, eacb individual system will need to depend on an absolute standard for navigation no less than they do today for time.

In a laboratory free from structural steel — even its wooden stair case has been built withont using acrews — the Admiralty Compass Observatory bas been researching the idea of a relatively inexpensive SINS for tomorrow's ships. The gyroscope for SINS Mark 2 already requires clearances so small and finishes so smooth—for example, in its "gas hearing," where a film of high-pressure gas serves as lubrication instead of oil—that metal surfaces would simply weld into ooe solid masa if not suitably protected.

The acientists have heen miniaturising tbe system in tbe sbape of a oew kind of gyroscope they call a "dynamically-tuoed gyroscope." This will do the work of two present-day gyroscopes hut at the price of coming close to the limits of mecbanical engineering. For this kind of precision the scientists have just begun to use a uniqne ultra-high precision grinder, designed to their specification hy Cranfield Institute of Technology. They are looking for accuracies of 0.1 micron straight off the machine, using its numerical control system of self-inspection to arrive precisely at the dimension they set.

With the precision grinder's belp a third generation of the super-gyroscope is about to enter the lengthy development phase. The scientists helieve they know in principle how to make a mechanical gyroscope much smaller than the best Navy instruments today, for perhaps one-tenth of the cost. They are sure enough of SINS Mark 3 to have made a model in wood. If they are right, they expect to have the designs and manufacturing technology ready to hand over to industry by the late 1980s.

By then, the reference point will nn longer be a star, visible only at night and in clear westher. The Navstar network of satellites will give any vessel, vehicle or aircraft, anywhere on earth, a fix to within 16 metres in three dimensions, and its speed within one-tenth of a knot. One further satellite will he called upon to eliminate errors arising from interference from the ionosphere.

A demonstration version of Navstar with six satellites is already flying, however, to help the U.S., and it allies to get used to the system. This is allowing scientists to develop the techniques for all the myriad possible navigational uses, civil as well as military. In Britain, the Royal Aircraft Establisbment at Farnborough is the leading agency for exploring Navstar technology. But the Ditton Park Observatory is developing techniques specifically for the Navy, such as the broad-spectrum aerial like a hig ice-cream cone that will allow a submerged submarine to take a peek at the heavens and get an accurate fix in a matter of seconds.

If the Navy is to get full value from its new long-range radar and infra-red sensors when aiming its missiles and other weapons, it must improve tbe accuracy of its navigation and position reporting. Thus the laboratory is developing a system which brings together on one plotting tahle all the data from such diverse sources as SINS, the ship's log, the gyro compass, the Decca Navigator and the periscope. Tbe aim is not only to get the data to the navigator more quickly, but also to eliminate many of the opportunities for error by individuals in reading their dials and charts.

**With Navstar, a vessel should steer confidently through a minefield**

The semi-automatic plotting table (SAPT), conceived and developed at the observatory, is expected to enter service in 1983. The first commercial prototype, from Smiths Industries is scbeduled for sea trials by the Navy early next year. Eventually every suhmarine and surface vessel will have SAPT. If the scientists have got it right, the Navy will no longer need to take charts to sea. The navigator will call them up as be needs them from the ship's computer and will print out copies when they are required. With the right copy spread upon his plotting tahle, the navigator will be ahle to maintain a continuous and accurate ahip'a track through a light spot driven hy the computer, just hy pressing three control huttons. "He'll have spare ones to take out the gin stains," wisecracks an irreverent scientist at the lahoratory.

One acientific quest which the laboratary can never allow to slacken is for new, simpler navigation sensors than the best conceivahle mechanical gyroscope migbt offer. Now it helieves it has discovered a nuclear gyroscope that could prove small, rohust and inexpensive, and whicb need never wear out.

The Admiralty physicists believe they can harness the natural spin of the nucleus of an atom; specifically of an isotope of belium, helium-3. To work it requires temperature close to ahsolute zero—the theoretical hottom limit of temperature wben all motion ceases within atoms—and some way of communicating with the spinning nuclei, as well as a clock about 100 times more accurate than the best existing atomic clock. Given these conditions, a gyroscope hased on "nuclear magnetic resonance"—tbat is, the effect of the spinning nuclei—may be within reacb. It would have no moving parts in a mechanical sense.

Temperature sbould be no great problem, even for vessels operating in war conditions, for robust cryostats (refrigerators) can now be designed to hold adequately low temperatures for very long periods. To communicate with spinning nuclei, scientists at the Admiralty Compass Laboratnry are putting their faith in the SQUID, a miniature detector which loses all its electrical resistance — becomes "supercondncting"—at very low temperatures.

The unsolved problem is the snper-clock. Bnt such is their confidence that they can solve all the problems of the nuclear gyroscope, they bave already sketched the shape and size of a shipboard system, and they even speculate upon when they might hold its first sea trials.

## Letters to the Editor

### Directors

*From Mr. C. Jockson*

Sir,—So the Institute of Directora is bleating "no, no, no" again (July 23)! Why doesn't it make some positive suggestions for improving the performaoce of the average hoard of directors and its policies on industrial relations?

For instance, when is some authority which would merit respect going to set up a working party to define: wbat directors should do; wbat knowledge, intellectual and supra-ordinary personal qualities they require to perform competently in tbe face of increasing pressurea; and how to assess whether or oot an individual—be he son-of-the-father, peer-of-the-realm, retired admiral, senior manager, housewife or worker—meets thoae requirements?

And thereafter when is the Government going to consider wbether a voluntary code of practice will suffice to ensure that (after an interim period) all members of boards of companies employing over 500 sbould be certified or chartered as having been assessed to meet the standard prerequisite to competence—or whether legislation will be necessary.

Clifford V. Jackson.
*Hollingbourne Manor,*
*Nr. Moidstone.*

### Buses

*From the Development Director,*
*London Buses,*
*London Transport.*

Sir, — I refer to Sir Horace Cutler's letters of July 8 and 29. It is not correct to state that if there were no other traffic on the roads, London buses would run only 1 per cent more mileage. Io fact, about 3 per cent of scbeduled mileage is lost through traffic delays, even though we build in extra time for any delays we migbt reasonahly expect.

If there were no other traffic, we could actually scbedule buses at speeds higber than at present, reducing peak-hour requirements by ahout 850 huses aod 1,100 crews. We could thus either save £30m annually or use those buses and crews to effect a worthwbile 15 per cent improvement in the bus service.

R. D. Smith.
*55, Broadway, SW1.*

### Steel

*From Mrs. A. Horsfield.*

Sir,—In bis article "A policy for Britain in Europe" (July 26) Iao Davidsoo talks of improving the balance of coocrete advantage wbicb we derive from being in the Community but then goea on to refer to onr very real problems as a declining industrial power.

Those who understood the sacrifices that joining the Community would entail for this country but wbo still were in favour nf our membership pinned their hopes on the benefits we might reap from belonging to an enlarged protected home market for our manufacturing industries. If there were no advantages there, there were no advantages at all it was said.

We have now been a member of the Community for over seven years and the backbone of our industrial strength, our steel industry, is frighteningly weak. By the end nf this year British Steel Corporation could be in the posidon of looking back over 1980 as the year it halved its steelmaking capability.

This did not need to come as a surprise to us. The Select Committee of the House of Commons that investigated the likely impact of our membersbip of the Community on nationalised industries in 1971-72 was warned hy Dr. Richard Pryke on hehalf of the Public Enterprise Group that Common Market entry would have an adverse effect on our steel industry and that trade between Britain and the Six would tend to depress BSC's profits. If this forecast was atudied in conjunction with the terms of the Treaty of Paria (wbicb set up the European Coal and Steel Community in 1951) it could bave been seen that a reduction in our steel industry would inevitably follow our accession to the ECSC. Under the terms of the Treaty we are precluded from giving state aids to BSC or from letting the industry run at a loss for an indefinite period in case that sbould distort the pricing mechanism of the ECSC. In fact there are other factors that distort prices and work against Britain's competitiveness but these go unchecked.

In these circumstances Mr. Davidson's plan would do nothing to belp Britain, for his suggestion is to turn on the taps of Nortb Sea oil for the benefit of the Community in exchange for a radical reform of the common agricultural policy. Why be tbinks North Sea oil and the CAP ahould be linked together is obscure. What seems likely ia that hy providing the fuel to run onr competitors' industries we will basten the demise of our own.

(Mrs.) Charlotte Horsfield,
*24 Liverpool Road,*
*Kingston Hill, Snrrey.*

### Growth

*From the Monaging Director*
*Association of Invoice Factors*

Sir,—The final report of the Wilson committee repays careful study. Perbaps the message that comes through most clearly is that the over-riding prohlem of improving our industrial performance still waits a aolution. While, given its catholicity of composition, this was perhaps to be expected, it is nevertheless regretable and represents a major miaaed opportunity.

A related aspect is the inability of new, growth orientated, companies to attract funds from the institutions for whom risk is largely outside their remit. In these circumstances, and at a time wben all the forecasts are agreed on the prospect of a worsening financial environment, it is to he regretted that the committee seemingly gave little consideration to factoring or invoice discounting. Judicious uae of factoring can enable many small enterprises to overcome problems of cashflow and liquidity and to increase output and market share. Before the report is consigned to the inevitable Whiteball pigeonhole I feel this point needs to be made.

D. A. S. Hodge.
*Jordan House.*
*47 Brunswick Place,*
*N1.*

### Productivity

*From Mr. G. Russell*

Sir,—It is certainly curious that Mr. Brittan in his analysis (July 24) does not touch on productivity nor the responsibility which must be dne to lack of aupport from either Government or management.

In many countries where interest rates are lower, and indeed most overbeads are lower, investment in modern plant has heen encouraged. No donbt the fact that trade nnions are more realistic with fewer restrictive practices also help to ohtain a more competitive product.

Surely high wage rates can be justified hut they must be earned by high productivity.

G. H. Russell.
*53, Longland Drive,*
*Totteridge, N20.*

### Change

*From Mr. A. Horsnall*

Sir,—There must he many ways in whicb Governments can encourage new employment without resorting to more spending and borrowing. A key point is active support for new ideas which will satisfy needs in the changing circumstances we are experiencing today.

May I tentatively suggest aome attractive joh creating developments worthy of support in the general area of saving natural resources, including energy, and improving welfare.

Electricity generating capacity is geared to the peak loading periods wbich occur on winter evenings wben the nation is on its way home to a cooked aupper. What are the benefits for generating capacity saving if family homes cook the nation's supper in future on 1 kilowatt microwave nnits instead of 10 kilowatt cookers? The time saviog of microwave cooking offers further energy aaving benefits of the order of a factor of ten times making a total aavings large overall.

Road and rail congestion in rush bours is appalling aod wasteful. What happens if, as in Denmark, factories open at 7 am, schools at 8 am, offices at 8.30 am and shops at 9 am? Better still, schoola shut from 1 pm to 3 pm according to age groups, factories at 4 pm, offices at 4.30 pm and sbops at 5.30 pm. Traffic congestion disappears and there is time to do the ahopping after factories and offices close.

The social costs of accidents and injuries on the road and in factories are high, especially wben taking into account the effects on families. The economic costs are a perverse factor in GNP. What are the costs relationships between accidents and hospital expenditure and the development of new accident prevention and remedial measures?

Construction of new bomes and factories usea about five to ten times as much fuel and natural resources as a thorongh renovation and np-dating of older established huildings. In my experience, the manhours in bnuse-building or rennvation are about the same. Rehabilitation of buildings, therefore, provides more employment for a particular level of expenditure.

None of these proposals, so far as I can see, necessarily involves any new Government spending or borrowing. The best type of Government help is by the encouragement of ideas through building regulations, codes of practice, type testing, and so on. Some people say that this is Government arm-twisting to raise costs. If, however, value added and welfare returns are raised by these improvements then surely we are hetter off from a more enjoyahle and less complicated life-atyle.

A. G. Horsnall.
*P.O. Box No. 548,*
*Copthall Close, EC2.*

### Timber

*From the Secretary,*
*Timber Growers' Oragnisation*

Sir,—While opinions differ about Britain's sbort-term unemployment prohlems, one major long-term threat goes unnoticed. I refer to the threat to British forestry, whicb employs 19,000 people in this country with another 14,000 in tbe wood processing industries. One by one, timber producing countries are forbidding exports of unprocessed timber. Indonesia has joined those states (July 23) putting strong pressure on their timber processors to increase production, and on logging companies to sell the bulk of their logs only at home. On the nther hand, the export of the finished product ia encouraged. Thus British processors will be by-passed and become merely distrihutors.

While we cannot grow the same species of tree in thia country, we can grow other species suitable for the same purposes; an enlarged tree planting programme in Britain will assist the timber trade and will help bring even greater benefits to our urban economy than to the countryside.

(Maj-Gen.) T. A. Richardson.
*Agriculture House,*
*Knightsbridge, SW1.*

# Cracks in the record trade

BY ANTONY THORNCROFT

THERE USED to be a comforting illusion among companies in the record industry that it was recession proof: in good times people bought records to express their prosperity and in bad times they bought them to keep up their spirits. The past 18 months have shattered the illusion. "All the signposts have gone" says one chief executive, "it really is a jungle now."

The downturn started last year. In 1979 the record companies distributed to the retailers 74.5m Long Playing records, a drop of 13.4 per cent on 1978. Singles, at 89m, managed a 0.3 per cent rise, but since singles, in value terms, only account for around 20 per cent of the £400m market, holding the line there hardly mattered. This year trade has deteriorated rapidly. In the first quarter LPs showed a 13 per cent decline on the comparable quarter of 1979 and the singles business also cracked, with a 16 per cent fall in deliveries.

It is believed that between April and June the situation worsened considerably, with singles likely to show a 20 per cent drop on the comparable quarter of last year and LP albums recording a 20-25 per cent fall. According to Mr. John Deacon, director general of the British Phonographic Industry, in value terms deliveries from British manufacturers to the trade are running at two-thirds of what they were a year ago. The record industry is an industry in decline. This is reflected in the closure of pressing plants and widespread redundancies. The lay-offs have reduced the numbers working in the business by 30 per cent in the last 18 months and enough factories have closed to make some companies worry whether there will be sufficient capacity this autumn when demand for records should pick up marginally after the seasonal summer lull.

Oddly enough the companies that will survive will not be very different from the companies operating now because the major shake-out occurred before the recession started to bite deeply. In the last nine months the three biggest British-owned record companies, EMI, Decca and Pye, have all been the subject of bids and deals. EMI went to Thorn, which, for a time, planned to sell off the record interests but now, observing them change from a 1979 loss to a 1980 profit, is inclined to hold on. Decca's record division was bought by PolyGram, half owned by Philips and half by Siemens, mainly because of its excellent classical division, an area which may account for only around 8 per cent of total record sales but which confers prestige and a long running catalogue. And Pye has been merged with RCA.

Structurally the record industry now looks surprisingly stable. EMI is still the largest company, with just over 20 per cent of sales in the last quarter (and last week actually responsible for 28 per cent of singles and 27 per cent of albums sold). It is followed by two American multinationals, WEA and CBS. Then there is a gap before PolyGram, with its three main labels—Polydor, Philips and now Decca, and finally a host of small concerns moving in and out of the charts as they manage to catch the public imagination with a particular release. There has been a great growth of independent record labels in the past three years — one lasting legacy of the "new wave" revolt against the "faceless" giant corporations which dominated the record industry. But the main casualties of the slump in sales are among the 300-400 small companies, plus those American companies, such as MCA, which failed to make a go of it in Britain.

But even the large companies have had to bend to the wind. PolyGram has closed a factory, so has RCA. Mr. John Fruin, managing director of WEA has just announced many redundancies despite the fact that his company has been gaining market share. "It is our belief," he says "that the real market—units sold—during the next 18 months is going to decrease to only about 50-55 per cent of the figures we were all predicting some nine to 12 months ago."

Ironically, although the manufacturers' supply of records and tapes has fallen far and fast, John Deacon admits that it is quite possible that the actual "consumption" of music in the UK could be at an all-time high. This is because the recession, and unemployment, especially among school leavers in the top record buying age group, is reckoned to be only a secondary reason for the decline in record sales. The industry believes that home taping is the real villain, and it is lobbying the Government for a levy on blank cassette tapes, of which 59m were sold last year. Undoubtedly it is losing many sales,

**A group of students can make a tape for £100 . . . the one bright spot**

especially of albums, through people borrowing records from friends and taping them, or taping direct from the radio.

Some research suggests that the seepage could be worth £228m a year. This is probably excessive but if home taping could be reduced the record industry would be showing growth or less recession.

If the Government does act it is unlikely to eliminate the problem. In Germany a levy on recording equipment has provided marginal help and the only foolproof solution is a technological breakthrough which makes it impossible to record satisfactorily on to a blank tape.

Some companies are attempting to attack the challenge head on. Chrysalis has been the most consistently successful of the "new" British independents with international sales now topping £40m a year. Joint chairman Chris Wright believes that home taping is concentrated among the younger rock fans, now liable to be out of work with plenty of time on their hands but little money. He points to the fact that a group with a broad appeal, such as Blondie, can sell 1,026,000 copies of its album *Parallel Lines* in the UK and 254,000 taped cassettes, a ratio of four to one.

In contrast a group that appeals successfully to a young market, such as the Specials, sold 250,000 albums but only 30,000 cassettes in the UK—a proportion of over eight to one. So Chrysalis is experimenting with a forthcoming release by one of its new signings, Michael Schenker, and selling his album at the full price of £5.29 but the cassette at £3.99 in the hope that the bargain price will generate the sales apparently lost to the home tapers.

Mr. Wright believes that the basic problems of the British record industry can only be solved by a managerial revolution. Like other industries where success depends upon the exploitation of creativity there is a constant battle between the people with the bright ideas who can nose out trends but are often bored with the mechanics of day to day management and the accountants who know the rule book and the percentages but tend to stifle expenditure on novel approaches. Management in record companies tends to alternate between the two categories, often with great rapidity.

The major companies now admit that they grew fat and spendthrift in the boom years and the surplus staff—especially in the artist and repertoire and promotional departments—have been thinned. The money that was lavished on signing new and unknown acts — "I've turned down artists," says Wright "who have immediately gone round the corner and signed with a major for a £100,000 advance"—is a thing of the past, as are the large advertising campaigns and the costly underwriting of concert tours by artists.

Although the statistics show that of almost 4,000 singles released in a year only 400 make it into the "top fifty" chart the record companies are so geared to the constant production of new titles that they find it hard to slow the machine down. Ironically singles are not expected to make much money—they are designed to introduce new artists, to keep the record companies' personnel on their toes and to prepare for the albums where the big money lies. The real financial breakthroughs come when the companies, by chance or design, usher in a new trend, such as the disco boom. The key records here, "Saturday Night Fever" and "Grease" have so far sold over 25m and 22m albums in the world. The British equivalent fad, "punk" or new wave, caused more headlines but has largely failed to make the impact where it matters—in the U.S.

For the record industry is nothing if not international, and Britain, along with the U.S., is regarded as the source of world wide repertoires. That is why all the major American companies have set up in London and have been ready to lose money in the search for artists who can sell all over the world. Unfortunately the current absence of any significant musical trend, and the lack of nerve in many companies as a consequence of minimal profits, has reduced the impact of British artists in America. On top of this the decline in sales is world wide: not least in the U.S., which accounts for almost half of all record sales.

The American slump is actually spilling over directly into the UK because of the American system of sale or return on records which is leaving the U.S. companies with millions of unsold returns, some of which are being offloaded cheaply on the British market. Cheap imports, many from Portugal, as well as bootlegging (the copying of an album, often in South East Asia, and its sale here as the real thing) is an important factor in the current British crisis. Sales of records, as against manufacturers' deliveries, in the first quarter showed no basic change from early 1979. The difference is explained by retail chains buying cheap imports.

For some specialist retailers, relying on inexpensive imports is the only way of matching the large-scale price discounting by the major retail groups. Woolworths — supplied by Record Merchandisers, the rack jobbing organisation which handles 13 per cent of the market — Boots and W. H. Smith now account for a third of all sales. By concentrating on the most popular records and heavy price-cutting they have successfully reduced the real cost of records, but at the expense of stocking back catalogue (currently a particularly dull area) and a wider range of current releases. This concentration of the industry at both the manufacturing and the retailing level into a few big groups has set in motion an "alternative" music business, which seems to be flourishing.

The independents are gaining because both the artists and the buyers of records appreciate their more down to earth — "street level" to use the popular phrase — approach. The artists can identify with the younger, involved, management which is more interested in the music than the margins, and the customers, too, identify with the adventurous sounds produced by kids like themselves. Companies, such as Spartan, (which looks after a hundred small labels and more), and Rough Trade have emerged to supply a service which includes production, distribution and promotion.

A group of students can make a demonstration tape for under £100 and take it to such companies knowing that if Spartan or Rough Trade think it stands any commercial chance they will handle it for them — and pay over 20 per cent of the sales price as a royalty, a percentage which only artists like Paul McCartney can command from a major record company.

This sector of the business, often based around local groups, specialist shops and a small, but committed catchment area of buyers, is the one bright spot in the record industry. Even the multinational companies depend on the independents. When they prosper, like Virgin, they tend to go to a major for manufacture and distribution, and companies like EMI earn almost half their turnover from licensing material from other operations.

The leading record companies, now invariably divisions of multi-interest multi-nationals, are slowly discovering the virtues of speed, creativity and flexibility again after years of self-indulgence financed by the profits of the Beatles boom, the Vietnam War/hippie rebellion boom, and the disco boom. By 1982, if they are prepared to experiment with fresh artists, the possibility of profit will return again. But for the moment the main worry of the constantly changing group of men who head the companies should not be the inroads of home taping, youth unemployment, falling living standards, imports and counterfeits, but the fact that music, the great growth sector of the entertainment industry in the past 30 years, is beginning to lose its grip on the popular imagination.

Trevor Humphries

Virgin Records Megastore in London's Oxford Street, where many records can be obtained at cut prices.

## Weekend Brief

How to ignore recession with a £1m nightspot . . . Quiet ways of cutting nuclear exports . . . and today's uncles

### We'll drink to that

If there were to be a first prize for commercial optimism in times of stress then last night was the time for presentation. Many of that fast diminishing species, Britain's beautiful people, were assembled at Stringfellow's, a new London restaurant-nightspot into which Peter Stringfellow has sunk £958,000. A few more thousands were added to that total as the champagne corks popped and the dancers danced at Stringfellow's expense. Today the real customers should start to arrive and, if everything goes well, London will have a new centre of social gravity.

Stringfellow is a trim, likeable 39-year-old with boundless enthusiasm and a substantial record in the club-disco business. For once the cultural-colonialism trail that so often flows out of London is, in fact, reversed. Stringfellow is a Yorkshireman with no pretensions of genteel south east middle class accents. He comes to the capital as the owner of a northern hotspot, the Millionaire in Manchester, and a track record that started with Friday night disco-bops and is dotted with successful club operations.

Stringfellow's new project is not going to fail because of a lack of investment. The club has leather and chrome like Wimpy bars have plastic and Formica. A huge glass dance floor oozes smoke and flashes lights. Even the pay-phone boasts an Art Deco leaded-glass surround. The real crunch comes, however, when sufficient regular customers have to be lured into this luxurious pleasure capsule to justify the £1m that has been spent on it — from the Stringfellow bank balance with a little bit of sympathetic support from Lloyds Bank.

The man himself reckons it's not a problem: "This is new, it is the place for the '80s. Of course people will come. I'm not in the business of failing." And the economic problems of the moment? "The sort of people who are jobless now are not the sort of people who would be coming here even if they had work."

The great Stringfellow coup which could help make the dream come true is that here is a club which is allowed to let people in off the street without membership (they will be subject to a special charge). It took a lot of time to convince the licensing authorities that it would work. The front door will be closely guarded to keep out the non-beautiful people, but it will be the only place in central London where non-members can dance and drink until 3 am.

Stringfellow clearly hopes that people will do more than that. A £100,000 kitchen will supply the needs of diners and, he hopes, a steady flow of business lunchers at about £20-£25 for two people. Needless to say that constant feature of eighties clubdom, the cocktail, features heavily in the Stringfellow world. A mere standard version comes in at between £2 and £2.50. If you are feeling really grand you can sink 100 guineas into a Butterfly Ball, but the basic of that concoction is "Bottles of Dom Perignon" after all. Perhaps Stringfellow will drink some when he receives his prize for optimism.

Stringfellow of Stringfellows: A place for the eighties

### Plugging nuclear loopholes

Amid all the current fuss that French sales of nuclear reactors are providing Iraq with the capability to make an atomic bomb, the British Government's efforts to stop, or at least hinder, such proliferation have gone largely unnoticed.

Unnoticed that is unless you happen to be a regular reader of Department of Trade documents called "Amendments to Export of Good (1978) Control Order." Britain is not a great exporter of nuclear equipment anyway. But what the changes to export control order are meant to do is stop somebody trying o do it on the sly.

The basic control order bans the export of both conventional and nuclear weapons technology, jet engines and the like—all the sort of equipment for which we would not like the Kremlin to put in an order. But recent amendments show a noticeable pattern.

At first sight they are all gobbledygook to the layman. In November, 1978, the export of "inverters"—equipment which ensures a constant electrical current was banned; in February, 1979, components and sub-assemblies for inverters were added to the list; in March, 1979, the amendment covered components and tools for the manufacture of gas centrifuges; in November, 1979, it was for plant for the purification of uranium hexafluoride and certain mass spectrometers and pressure gauges. Another amendment currently being prepared covers maraging steel, a particularly strong substance.

But put together these items are all essential for an uranium enrichment plant using gas centrifuges to separate the fissile, that is weapon-grade Uranium 235 isotope from amongst the more predominant Uranium 238, which is not suitable for bombs.

The scope of export control orders has had to be widened because Pakistan has been trying to build its own gas centrifuge near Islamabad and has refused to accept any internationally supervised safeguards for it. This became publicly apparent when the export of the "inverters" to Pakistan was banned after one shipment got through.

The interesting aspect of Iraq's and Pakistan's apparent ambitions (despite denials) is not so much that they might bring about the first "Islamic Bomb," but rather, in their own way, they serve as a guide-book to any other enterprising Third World country. Iraq has signed the Nuclear Non-Proliferation Treaty and has accepted safeguards but there is nothing to stop it abrogating these in the future. Pakistan decided to follow a clandestine path and, despite control orders and the like, there appears nothing to stop it exploding a device in a year or two.

Actually making a bomb is not particularly difficult once the fissile material, either Uranium 235 or Plutonium, has been obtained. The *New Scientist* described in detail earlier this year how one could be made in the cellar of an ordinary suburban house.

It all makes for a rather uncertain world. Acquisition of nuclear capability has in the past led to increased responsibility in diplomacy. It is hard to tell how much longer this will continue. In the meantime some people, probably the Israelis, have started their own version of export control orders as shown by the recent murder in Paris of an Egyptian nuclear scientist working for Iraq, and the sabotage last year of a French reactor destined for Baghdad.

### Diamonds are a girl's . . .

A sign of the times, say London hostesses, is that doctors are no longer the most popular guests on the cocktail party circuit. Currently the most sought after dispenser of free professional advice to the after-six set is not the friendly family physician but the Mayfair jeweller, the chap who can size a carat at 40 paces.

Barry Evans, the young and personable director of the new Park Lane jeweller Romanoff says that as soon people discover he's in the high class gem business he finds himself surrounded.

"Every cocktail party I've been to over the last couple of months has been the same—women hear that you are a jeweller and they come sidling up to ask ever so confidentially what they would get for the necklace or the bracelet they are wearing—if they ever wanted to sell it. They all expect an on the spot valuation—and if they like the price they invariably make an appointment to bring the piece into the shop for a proper valuation and, hopefully, a cheque."

According to Evans the cocktail party activity is merely one manifestation of a recent but rapidly growing phenomenon, vaults and safes all over the UK are being opened and emptied.

However, the appearance of all this fine old jewellery on the London market is not without its attendant problems. Much of it is too old fashioned in style, cut and setting to appeal to today's buyer.

Across the park in Knightsbridge Paul Kutchinsky at Kutchinsky confirms that the home market is very depressed and that the British are selling, not buying, jewellery.

"We are getting more and more British people in here wanting to sell superb pieces of jewellery, real family heirlooms, but we don't do any second-hand trade so we usually refer them to the sale rooms. Interestingly we're also getting a lot of Iranians selling very expensive pieces. But fortunately the overseas visitors are making up for that on the buying side. The Americans are still steady despite all the rumours, but this year's big buyers seem to be the Africans and the Australians."

Contributions:
Arthur Sandles
Simon Henderson
Robyn Wilson

## Economic Diary

**TODAY:** Great Railway Exhibition, celebrating 150th anniversary of first passenger railway, opens in Manchester (until September 14). Lord Carrington, Foreign Secretary, starts visit to Barbados.

**TOMORROW:** Air display and trade fair, Fairoaks Airport. International Gifts Fair opens, Olympia (until August 7).

**MONDAY:** Stock Exchange turnover figures published. British Shipping Review 1980 launched. Building society house prices and mortgage statistics (second quarter). UK official reserves (July). Capital issue and redemptions (during the month of July).

**TUESDAY:** Chloride Automotive Batteries announce technical development. Stock Exchange Council statement on "dawn raids." Treasury and Civil Service Select Committee of the House of Commons publishes third report on monetary control; fourth report on civil service manpower reductions; and memoranda on monetary policy. UK banks eligible liabilities reserve assets, reserve ratios and special deposits (mid-July). London clearing banks' monthly statement (mid-July). Mr. Cecil Parkinson, Trade Minister, starts ten-day visit to Chile and Argentina.

**WEDNESDAY:** Department of Energy publishes advance energy statistics for June.

**THURSDAY:** House renovations (second quarter) and housing starts and completions for June published by the Department of the Environment. Department of Industry publish provisional figures of vehicle production for July. Official opening of £280m Tyneside Metro Rapid Transit System, Newcastle. Jordans publish "A guide to International Exchange and Trade Regulations." Commons debates Parliamentary procedure and financial assistance to Opposition parties.

**FRIDAY:** Parliament rises for summer recess—Commons return on October 27: Lords return on October 6. Count Otto Lambsdorff, West German Economics Minister, starts industrial co-operation talks in Peking.

# Interest and renovation hit Mount Charlotte

SHARPLY higher interest charges as a result of acquisitions and the renovation programme meant taxable profits of Mount Charlotte Investments, the hotel group with catering interests, tumbled from £396,000 to £104,000 in the 28 weeks ended July 13, 1980.

Interest charges jumped from £146,000 to £331,000, and there was an expenditure of £1.5m on the hotel improvement programme. Trading profits were affected by generally higher operating costs and by having an average of 140 rooms "off" for renovation.

However, the directors say that while the interim figures are disappointing, they believe the company is performing well in a difficult year.

Full benefits from the improvements, together with the acquisitions, will be seen partly in the rest of 1980 and fully in 1981, they add. In the last full year, pre-tax profits reached £1.05m (£0.86m).

Turnover rose from £4.88m to £5.8m in the 28 weeks. There was again no tax charge and, after minorities, the attributable balance came through at £101,000, compared with £393,000.

The pre-tax surplus was struck after depreciation of £97,000 (£70,000).

**● comment**

A fall in occupancy rates has coincided with a period when Mount Charlotte has been spending heavily on acquisitions and renovation. The three new hotels have added £87,000 to the interest charge, which has been largely recovered through profits, while the improvements to existing hotels have hit both the balance-sheet and the revenue account. Mount Charlotte operates on very high overheads, so the absence of 140 rooms has a dramatic effect on profitability. The company has a high proportion of holiday hotels, which should do better in the second half, and the benefits of its spending programme should start to be felt by the year-end. Profits for the full year could work out to around £850,000, which would leave the shares, at 21p, on a fully-taxed multiple of around 17. There is little likelihood of Mount Charlotte paying much tax for the foreseeable future, however, and next year could see a new earnings base established. So the rating does not look too demanding, even if the yield (under 5 per cent on a maintained final) fails to inspire enthusiasm.

# Cray Electronics comes back in second half to finish 20% up

A SECOND-HALF rise from £475,000 to £631,000 has lifted pre-tax profits of Cray Electronics, precision engineering, electronic equipment group, to £875,000 for the April 26, 1980 year, compared with £730,000, a 20 per cent increase.

Turnover advanced by 30 per cent from £10.7m to £31.9m, and the dividend is 2p (1.72p) net per 10p share with a final of 1.43p, as forecast.

The directors believe that the results reflect the company's sustained growth and demonstrates the quality of its continuing investment in new resources.

They add that profit and turnover increases were achieved on a much reduced contribution from the pump company, 75 per cent of which was sold in July, 1979, "and in a period of general economic difficulty."

After tax of £333,000 (£295,000) and an extraordinary credit of £10,000, the attributable balance was £532,000 against £435,000, out of which dividends will absorb £199,000 (£171,000).

The extraordinary item comprised a £372,000 profit on the sale of a subsidiary, less provision in respect of an associate, less £362,000 of goodwill written-off.

Earnings per share at the year end are shown as 5.45p (4.38p) and 5.14p (4.17p) fully diluted.

As at April 26 shareholders' funds totalled £2.7m (£2.4m).

## Accounts error at Western Dooars Tea

An error discovered in the 1979 accounts of Western Dooars Tea Holdings after they were distributed, means that this investment company should have shown a £20,667 group profit before tax instead of the £43,564 loss reported.

The company's auditors, Moore, Stephens and Co., have pointed out to the Board that £64,231 was written off in respect of an investment of a subsidiary before the profit was struck. While it was correct to debit this amount in the holding company accounts it was not so for the group accounts, they state.

The £64,231 has, therefore, been written back into the group profit and loss account. This reversal has no effect on the year-end group balance sheet.

It is also proposed that a further alteration reducing the credit for the previous year's tax adjustments by £19,000 will be taken up in the 1980 accounts.

The net effect of the adjustments on the 1979 figures would have been a group loss after tax, and other adjustments, of £88,551 and a loss per share of 8.78p.

## Rightwise profits improve

TURNOVER of Rightwise, plantation holding company, a subsidiary of Jazerite Holdings, rose slightly from £1.51m to £1.53m, and taxable profits improved to £331,000, for 1979, compared with £268,000.

Under a scheme of arrangement, approved in August, 1978, Deundi Holdings, Gadek Indonesia and Arbour Court Investments, holdings of which formed the major part of Rightwise's assets, became wholly owned subsidiaries of the company.

In line with the merger document, there is no dividend payable for 1979.

Tax for the period took £31,000 against £158,000, minorities £77,000 (£25,000), and there was an extraordinary debit, much lower, of £43,000, compared with £258,000.

Earnings per 10p share are shown to be well ahead at 15.63p (3.79p) at the year-end.

### KUALA LUMPUR

Estate land of Kuala Lumpur Kepong Berhad, rubber and palm plantations and products group, has been revalued at M$392m giving a surplus over book value of $247m (about £48m). This valuation has been accepted by the Capital Issues Committee (Malaysia) and will be incorporated into the accounts from October 1, 1980.

Meanwhile the company has declared an unchanged interim dividend of M$0.15 gross. Last time a total of M$0.25 from pre-tax profit of $59.79m.

## Wm. Cook recovers in second half

A RECOVERY in the second half, with profits up from £303,150 to £338,133, has left the taxable surplus of William Cook and Sons (Sheffield), steel founder, just ahead at £627,446 for the year ended March 31, 1980, compared with £621,260.

The drop in midway profits, by nearly £29,000 to £289,313, was blamed entirely by the directors, on the engineers' strike, but they were confident the company would survive intact.

They now feel that the engineering industry has not yet reached the worst of the slump it's currently going through, and they do not expect to see any signs of an improvement before next spring at the earliest.

The directors say they will continue to make every effort to ensure that Cook remains one of the most efficient units in the steel foundry industry.

Turnover for the year improved from £4.4m to £4.95m and net profit came through at £299,539 (£289,664) after tax of £327,907, against 331,596.

Earnings per 20p share are shown as 5.98p (5.8p) and the dividend is effectively reduced slightly to 1.3p (1.3125p) with a final payment of 0.7p.

### NO PROBE

The following proposed mergers are not to be referred to the Monopolies and Mergers Commission: Zapata Offshore Marine/Offshore Marine: and Mercantile Credit Company/Highland Leasing.

# Mr. Wake steps down from Camrex chairmanship

BY ALAN FRIEDMAN

Mr. Roger Wake, the chairman of Camrex Holdings, the specialised paint and coatings manufacturer, has resigned for reasons of ill health, according to the company. He will continue as a non-executive director of Camrex but the post of chairman will be filled by Mr. Stanley Clarke, formerly the deputy chairman.

But Mr. Alex Cameron, who resigned as chairman after a 1978 boardroom row, claimed yesterday that Mr. Wake's departure resulted in part from his own call for the resignation, made at the company's stormy annual meeting on June 18.

"He should have had the guts to resign at the annual meeting," said Mr. Cameron. He then criticised Mr. Wake's handling of the company's affairs. Mr. Clarke, the new chairman, refuted these comments and said of Mr. Cameron's charges: "This has absolutely nothing to do with Mr. Wake's resigning. He is not a well man and has gone to Scotland to recuperate."

Mr. Cameron also claimed yesterday that a deputation of Camrex employees had gone to the board earlier this year and had stated their dissatisfaction with the running of the company. He went on to say that some 80 per cent of the board of Camrex's contracting subsidiary had resigned within the past year.

More recently, said Mr. Cameron, the board of Camrex had held talks with the HAT Group concerning the disposal of the contracting side of the company. Mr. Wake told shareholders at the Camrex annual meeting in June that the contracting side was to be closed down in about two years.

Camrex yesterday confirmed that discussions about the contracting business had been held with HAT, but said no agreement had been reached.

Another question raised yesterday by Mr. Cameron was the resignation in March of Mr. John Witter, group managing director, and Mr. Peter Dillon, finance director. Camrex said yesterday that Mr. Ian Bolton, who had earlier served as finance director of Carron, the Scottish-based building products company, began work this week as group financial controller, although he was not a board member.

Camrex slipped into loss in the second half of last year as a result of problems in the contracting business. But the group made a pre-tax profit of £171,000 for the full year.

Mr. Wake described current trading as "difficult" at the annual meeting and said the interim results, expected in September, would be "disappointing." He added that a pre-tax loss was expected at the halfway stage.

Camrex yesterday was unwilling to enlarge upon the former chairman's comments regarding current-year prospects.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Brasway | 2 | — | 2 | 4‡ | 3 |
| Brit. Amer. Gen. ...int. | 0.93 | Oct. 3 | 0.83 | — | 2.34§ |
| Wm. Cook (Sheffield) | 0.7 | Oct. 10 | 0.53* | 1.3 | 1.31* |
| Cray Electronics | 1.43 | — | 1.15 | 2 | 1.72 |
| Kuala Lumpur ...int. | 0.1‖ | Oct. 6 | 0.1 | — | 0.25 |
| Rights and Issues ...int. | 1 | Oct. 8 | 1 | — | 3.48 |
| Scottish Utd. Inv. ...int. | 0.85¶ | Sept. 29 | 0.7 | — | 2.15 |
| Watsham's | 5.45 | Oct. 17 | 4.5 | 9.2 | 8.1 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 53 weeks. § Including special interim of 0.217p. ¶ Increased to reduce disparity. ‖ Malaysian cents gross throughout.

## Brasway fails to pick up

A FURTHER fall in second half profits, at Brasway, iron and steel scrap processor and tube manufacturer, has left the taxable surplus behind at £400,603 for the 53 weeks ended May 3, 1980, compared with £458,282 for the previous year.

At halfway profits had dipped from £215,518 to £203,530.

The dividend for the 53 weeks is increased to 4p (3p) net per 10p share with an unchanged final of 2p.

Turnover for the period expanded to £17.2m, compared with £12.76m, and profits were subject to tax of £29,860 against £37,385.

Earnings per share are shown as down from 20.4p to 17.98p.

**REPORTS TO MEETINGS**

# Protest vote over tea workers defeated by J. Finlay holders

PROTESTORS COMPLAINING of low wages and poor conditions in Asian tea plantations failed yesterday in a bid to throw out the accounts of James Finlay and Co., international tea merchant.

The demonstrators, who took out small amounts of shares last year to voice their complaints, were defeated by 34 votes to 15 when they tried to prevent adoption of the group's accounts at the annual meeting in Glasgow.

They claimed workers in the group's plantations in Bangladesh were working for 25p a day with poor housing, had sanitation and inadequate food.

Protest leader Mr. Roger Jeffrey said: "Evidence we have from the estates suggest the tea pickers are little better than slaves, totally dependent on the management for their welfare. The company has hardly changed since 1816 when Finlay's managers saw no harm in six-year-olds working a 12-hour day."

He told the meeting: "These were the same conditions applied by merchant adventurers since 1816—that employees should count themselves lucky to be employed and nothing more."

Sir Colin Campbell, Finlay's chairman, hit back by saying the company was confident its standards compared favourably with those of the tea industry as a whole. "In Bangladesh it is significant that we have no difficulty in retaining labour, which indicates that the working environment is competitive. Indeed, it has been and is being progressively improved."

He said the group's Bangladesh company's spending on improvement of tea estates in the past decade totalled £1.2m.

record profit levels in the first quarter, Mr. Max Lewinsohn, the chairman, told members.

He said that the group had taken a 6 per cent participation for £200,000 in a consortium set up to explore and develop oil and gas projects in Texas and New Mexico.

In addition, it was negotiating for its South West Consolidated Minerals subsidiary to process and market Tantalite, a rare mineral ore, on an exclusive basis from South East Asia.

On the property front, Algrey Developments, bought last year, has reached agreement for the comprehensive refurbishment of a 28,000 sq ft office building in the City of London. Algrey's interest in the building, when completed and net next year, will be worth around £3m.

### IC gas

DESPITE A number of uncertainties facing I.C. Gas, the chairman believes that problems can be faced "with confidence."

Mr. F. Zollinger told shareholders at yesterday's annual meeting in London that in the next two or three years, the company may be unable to reap the full benefit of its present capital investments. But he noted that there was a "solid core within I.C. Gas which will, barring exceptional circumstances, warrant the payment of steadily rising dividends."

Thereafter, said Mr. Zollinger, the outlook should be even more rewarding. Current problems included the climatic factors which affected a major part of group business, present world economic trends, rates of interest and inflation, the relation of sterling to the Belgian Franc and the interest burden on present and future oil developments.

Turning to the Government's recently announced depletion policy in the North Sea, the chairman said: "We think it is most regrettable that the complex problems surrounding offshore investment should be burdened with yet another fundamental uncertainty."

Mr. Zollinger had earlier told shareholders that although there was now "a small but nevertheless significant world over-supply of oil products" that was a temporary situation. "The need remains for increased activity in exploration, diversification of supply sources and rapid progress towards the production of synthetic fuels," he said.

### J. Woodhead

Members of Jonas Woodhead and Sons were told at the annual meeting that estimated profit was down about 60 per cent in the first quarter and the first half result was bound to be well down on last year.

The situation had deteriorated since the company's cautious statement in June, with the engineering industry bearing the brunt of the trade recession, it was explained.

However, the directors interpret the prospects from October onwards as suggesting a measure of improvement: "perhaps a reasonable measure of improvements." But it was too early to accurately quantify the trend so as to make a comparison with last year, they added.

### Renold

Profits on overseas trading of Renold, power transmission group, showed an increase of 25 per cent in the first half, Mr. L. J. Tolley, chairman, reported.

In the UK, where the first quarter had been completed, trading profit was about 50 per cent ahead of the same period last year, he said. The figures confirmed that an encouraging start had been made to the year.

"In the second half we do of course expect some benefits from the Coventry and Spanish closures plus other actions being taken, but the year as a whole is unusually difficult to forecast."

### Dundonian

Dundonian, the crematorium company turned mining and property group, has achieved

**BIDS AND DEALS**

# Murdoch wins transfer move

BY REG VAUGHAN

Mr. Rupert Murdoch's plan to transfer control of News International, publisher of the Sun and News of the World newspapers, to News Corporation, his Australian master company, received overwhelming approval yesterday.

Opposition to the proposed capital reorganisation came from the Electricity Council pension funds, but its holding of 1.26m shares—the largest non-family shareholding of News International—proved totally inadequate to sway the vote.

The vote—attracting a 75 per cent outturn of the publicly held shares—showed 90.2 per cent in favour of Mr. Murdoch's proposals, well above the 75 per cent minimum required to get the deal approved.

The actual voting figures of 13.51m share for the deal and 1.47m against shows that the Electricity Council's lone campaign to drum up opposition to the deal attracted little support.

Major support for the deal came from Mr. Clive Carr and family (the original News of the World owners), Mr. Paul Hamlyn and five investment institutions. The total of their holdings represent 30.2 per cent of the publicly-held ordinary capital.

Under the reorganisation, News International holders were offered the choice of selling out their stake or accepting a new class of non-voting shares in News Corporation, with direct access to the company's dividends. Mr. Murdoch has said the deal was being carried out to prevent a conflict of interest between the UK organisation and the Australian group.

A representative of the Electricity Council pension funds described the reasons given by News International for the deal as "irrelevant." He said: "No matter how you choose to review this takeover," it has been done for the purpose "of securing valuable assets to strengthen the balance sheet of News Corporation."

The Council was critical of the price offered to holders compared with the company's asset value and felt News International should be "prepared to pay a fair price."

The pension fund movement has been strongly opposed to the issue of non-voting shares; it recently persuaded Lloyds Bank to change its rules in order to give every shareholder one vote per share.

However, Mr. Tom Heyes, chairman of the Investment Protection Committee of the National Association of Pension Funds, said recently that some types of concern need restrictions on control to prevent foreign intervention. The Committee decided that the News International deal would need such restrictions to satisfy the Australian authorities.

A spokesman for one of the group's unions, NATSOPA, expressed concern that a change of control would upset the workforce. He felt management would become too remote and the workforce would be denied a voice if control went to Australia.

Following the success at yesterday's meeting the reorganisation is now fully effective.

The cash offer closed yesterday with acceptances received in respect of 22.28m special dividend shares of News International. Under the terms of the offer, News International will acquire a total of 19.91m at 100p per share—being 50 per cent of the total in issue.

Dealings in the special dividend shares will start on Monday, when the listing for the ordinary shares of NIL will be withdrawn.

### S. WRIGHTSON PAYS $6.6M FOR U.S. INSURER

A wholly owned subsidiary of Stewart Wrightson Holdings, Stewart Smith Holdings Inc., has acquired Calvert Fire Insurance Company for about $6.55m cash, financed by a medium-term bank loan.

Calvert is a property and casualty insurance company licensed in all states of the U.S. except Alaska and Hawaii.

It is also authorised to underwrite business in Canada.

Assets of about $4.05m in cash and investments, all other assets and liabilities arising from its insurance operations under its previous owner, Commercial Credit Company, a subsidiary of Control Data Corporation of U.S., have been transferred to another insurance company in the CCC group.

Calvert has no liabilities for the insurance business written up to the date of acquisition. The company will be used by Stewart Smith for the expansion of its speciality insurance programmes.

# BTR takes over as the suitor for Huyck Corp.

BTR, the UK rubber and plastics group, has stepped into the bidding for Huyck Corporation, the U.S. paper clothing business. The original bidder Wheelabrator-Frye, has conceded defeat.

On Wednesday, Wheelabrator announced that it was making a partial bid for up to 35 per cent of Huyck at $22.125 a share. It has now withdrawn that offer in the face of a $25.125-a-share bid from BTR.

BTR's offer values Huyck at around $143m. Last year Huyck made post-tax profits of $9m on sales of $143m.

Ian Hargreaves writes from New York: Wall Street was surprised yesterday by BTR's counter.

The market had assumed that a $127m ($22.125) per share) bid from Wheelabrator, which Huyck had welcomed, would go through unchallenged.

Mr. Michael Dingman, Wheelabrator's chairman, said that although the company had regarded Huyck as a desirable takeover target for many years, the price offered by BTR was not justified by the earnings power of Huyck.

A spokesman for Huyck said the BTR bid was acceptable in principle. The counter-bid is the latest development in a year-long search for a white knight to rescue the company from the potential clutches of Mr. Victor Posner, the Miami financier, the spokesman added.

Mr. Posner's NVF company announced on June 19 that it had acquired 10 per cent of Huyck.

As part of its approach to Huyck, Wheelabrator bought out Mr. Posner's stake at $22.125 a share—but said yesterday it would be paying to him the difference between the purchase price and the BTR purchase if the deal went through and if, as expected, Wheelabrator sells its Huyck shares to the British company.

### GRATTAN CHIEF INCREASES STAKE

Mr. Michael Pickard has been buying more shares in Grattan Warehouses, the troubled mail order company of which he is chairman.

He purchased 5,500 in his own name on July 17, mostly at 67p, with a further 4,528 shares bought through an account at the Corporation of Lloyds. He also picked up 1,082 shares through an agencies account at Willis Faber and Dumas. A further 1,000 shares were bought in the name of Mrs. P. J. Pickard, Monlostan Nominees.

# Lamont pref. shares for McCleery offer blocked

At yesterday's extraordinary meeting of Lamont Holdings shareholders approved the proposed acquisition of McCleery L'Amie Group but rejected the resolution to create additional preference shares.

This means that it is now a cash-only offer for the preference shares of McCleery; the all-share alternative set out in the July offer document being no longer available. Holders who have already accepted the preference all-share alternative will be deemed as having accepted the cash offer.

The first closing date of the offers is August 5.

It was also announced yesterday that Mr. Gerald L'Amie had resigned from the McCleery board. On the day that Lamont made its original offer for McCleery, Mr. L'Amie sold 573,722 shares in the company, representing 4.47 per cent of the capital.

the equity. It is making its present offer under the terms of the City Code.

The board is consulting with its financial advisers, Barclays Merchant Bank, and in the meantime advises holders to take no action.

### ANGLO MET. TAKES NORTH SEA OPTION

Anglo Metropolitan Holdings has acquired an option to participate in 20 per cent of Petrosearch International's proposed investment in the North Sea.

Petrosearch is wholly UK owned independent oil exploration company which is making applications on August 11 for licences being offered in the 7th round of UK offshore petroleum production licensing.

### SIMON & COATES MAKES RTD OFFER

Simon and Coates, on behalf of Mr. Jim Dyer and associates, is to make an offer of 5½p per share for the 2.1m ordinary shares of RTD Group not already owned.

Simon and Coates has already purchased all the 8m participating preference shares (carrying 79.3 per cent of the voting rights) at 1.375p per share and paid 5½p for 112,625 ordinary shares—equal to 5.1 per cent of

### SPAIN

| August 1 | Price % | + or − |
|---|---|---|
| Banco Bilbao | 228 | |
| Banco Central | 248 | |
| Banco Exterior | 210 | |
| Banco Hispano | 224 | |
| Banco Ind. Cat. | 120 | |
| Banco Madrid | 141 | |
| Banco Santander | 276 | |
| Banco Urquijo | 138 | +2 |
| Banco Vizcaya | 236 | |
| Banco Zaragoza | 211 | |
| Dragados | 85 | |
| Espanola Zinc | 63 | +1 |
| Fecsa | 61 | +0.5 |
| Gal. Preciados | 24 | −1 |
| Hidrola | 65.7 | +0.2 |
| Iberduero | 51 | |
| Petroleos | 117 | −2 |
| Petroliber | 87 | |
| Sogefisa | 107 | |
| Telefonica | 64 | +1 |
| Union Elect. | 66.2 | +0.7 |

# Results due next week

Tube Investments is the first major manufacturing company to report on the first half of calendar 1980, so great interest will focus on the group's interim statement next Wednesday. TI has already indicated that profits will be below last year's £30.4m and analysts are expecting anything from £25m to £29m. The first quarter will have been affected by the steel strike but the haulage dispute hit the same period of the previous year and the main decline will almost certainly have been in the second quarter, when the tubes business in particular will have suffered from falling demand. Domestic appliances and cycles will also be weak, although the machine tool side should prove more resilient. TI's 58 per cent stake in British Aluminium will bring little relief even though the first half of 1979 was badly hit by a strike. BACO made interim profits of £11m last year and analysts are quoting a range of £9m to £12m for next Wednesday's figures.

Despite the number of horror stories emerging from engineering companies in the West Midlands, Glynwed shows every sign of bucking the trend. Expectations for Wednesday's first half profits announcement are around £9m against £8.7m last time. Apart from unusually strict cash controls there are three main reasons for Glynwed's strong showing for the sector. It has recently carried out a successful rationalisation and investment programme; it is relatively unscathed by the strength of sterling because of an unusually low reliance on export sales and the absence of major import penetration in its main product areas; and thanks to new products it has been able to raise market share to offset lower demand. The outlook for the second half is reasonably good and the dividend of 2.45p looks very secure.

Six months' results on Tuesday from the pest control group Rentokil should show a useful improvement over last year's first half of £5.8m. Analysts are predicting around £7.3m which would maintain Rentokil's accelerating growth trend since 1974. The group has so far not been too badly hit by recession thanks to the essentially contractual nature of much of its UK business. In particular, it has been successful in taking on pest control for a number of local authorities. Rentokil also specialises in insulation, which should continue to do well as heating costs rise. Some slowdown in the second half can be expected but dividend growth should be well above average.

Hoover's interim figures on Wednesday will look a lot more respectable than last year's £0.8m loss. That, however, is just about the extent of the good news. The company's recent recovery looks like being knocked on the head by the current very tight trading conditions and despite a strong first three months few analysts expect Hoover to make more than £3m pre-tax. Margins are again under intense pressure, sales are willing, and exchange losses, mainly from Hoover BV in Holland, are expected to top £1m. The current six months will be very difficult, evidenced by a new round of redundancies and short-time working at Merthyr after the summer break. Although there must now be a question mark over the net dividend, most analysts expect it to be maintained at 5.61p.

A rather mild winter and sunny spring have not been terribly good for J. Bibby's agricultural feeds and seeds business, but there is every reason to expect a group pre-tax profits rise next Wednesday when half-time figures are unveiled. This is because of a respectable performance by the company's industrial side, particularly medical supplies and paper. Outside forecasts place the pre-tax at £4.5m or higher, against last year's £4m in the first six months. At year end the group could achieve near £11m, up from 1979's £9.7m. The eventual goal of the company is to achieve a 50-50 split between agriculture and industrial activities: the whims of the marketplace may arrange this even before Bibby's management.

Analysts will not be placing too much significance on Taylor Woodrow's interim figures this Tuesday. The problems involved in accounting for long-term contracts at the half-way stage make them a poor guide to the full-year outcome. Most expectations are around the £8m to £9m mark compared with £7.7m in 1979. For obvious reasons trading conditions are difficult for construction companies, but Taylor Woodrow's above average involvement in energy related building activities make it likely to perform quite strongly for the sector. The group's financial base remains strong and a good flow of work should mean pre-tax profits of around £26m at the year's end.

Next week's batch of companies reporting will also include A.A.H. with preliminary figures on Monday and interim showings from Aaronson Brothers on Wednesday and Evode Holdings on Thursday.

| Company | Announcement due | Dividend (p)* Last year Int. | Last year Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| A.A.H. | Monday | 3.025 | 3.975 | 3.475 |
| Aquis Securities | Wednesday | 0.225 | 0.5 | |
| Associated Tooling Industries | Thursday | 1.4 | 1.63132 | 1.8 |
| Austin (James) Steel Holdings | Thursday | 1.66667 | 3.0 | 1.67 |
| Benn Brothers | Wednesday | 0.9 | 2.1 | 1.1 |
| Black (Peter) Holdings | Thursday | 1.331 | 2.519 | 1.47 |
| Centreway | Tuesday | 3.371 | 6.129 | 4.0 |
| Centreway Trust | Thursday | 0.78 | 7.24 | 2.0 |
| Centrovincial Estates | Thursday | — | 1.35 | 1.0 |
| City of London Brewery and Investment Trust (The) | Wednesday | 2.07‖ | 1.195 | 2.64‖ |
| Cowan, De Groot | Tuesday | 0.72721 | 2.0 | 1.0 |
| Ellis and Everard | Monday | 2.25 | 3.5 | 2.5 |
| Ewart New Northern | Friday | — | 1.5 | — |
| F.M.C. | Tuesday | — | 6.0 | — |
| Garford Lilley Industries | Wednesday | 0.175 | 0.825 | 0.25 |
| Gnome Photographic Products | Monday | — | 4.15 | — |
| Hambro Trust (The) | Tuesday | 0.65 | 1.6 | 1.0 |
| Hillards | Tuesday | 1.0 | 2.5 | 1.25 |
| Howard Tenens Services | Friday | 0.823 | 1.0792 | 1.0 |
| Jacksons Bourne End | Monday | — | 3.0 | 2.0 |
| Longton Industrial Holdings | Thursday | 1.25 | 3.75† | 1.4 |
| M-L Holdings | Thursday | 2.0 | 4.0 | 2.0 |
| Nolton | Thursday | 0.27 | 1.93 | 0.8 |
| Norton (W. E.) Holdings | Tuesday | 0.3988 | 0.4166 | 0.4 |
| Owen and Robinson | Monday | 6.0 | 10.0 | 6.0 |
| Rotaprint | Tuesday | 1.1205 | 1.8119 | 1.1205 |
| Smith (David S.) Holdings | Thursday | 2.0 | 2.75 | 2.5 |
| Smith Whitworth | Monday | — | 0.3 | — |
| Unitech | Tuesday | 1.675 | 3.325 | 2.1 |
| Waring and Gillow (Holdings) | Tuesday | 1.08677 | 4.0 | 1.5 |
| Wholesale Fittings (The) | Friday | 2.23 | 7.77 | 4.0 |
| **INTERIM DIVIDENDS** | | | | |
| Aaronson Bros. | Wednesday | 1.2 | 3.0 | |
| Adams and Gibbon | Thursday | 1.75 | 4.0 | |
| Ailsa Investment Trust | Thursday | 2.5 | 3.33606 | 3.5† |
| Anglo-International Investment Trust | Thursday | 1.5 | 3.0 | |
| Ault and Wiborg Group | Wednesday | 0.75 | 1.55 | |
| Bibby (J.) | Wednesday | 2.0 | 4.25 | |
| British Aluminium (The) | Wednesday | 5.5 | 8.0 | |
| Carron Company (Holdings) | Thursday | 0.85 | 1.45 | |
| Davies and Metcalfe | Tuesday | 0.45 | 0.89 | |
| Evode Holdings | Thursday | 0.425 | 0.975 | |
| Foreign and Colonial Invest. Tst. (The) | Thursday | 1.0 | 1.95 | |
| Glynwed | Wednesday | 2.45 | 6.7 | |
| Hoover | Wednesday | 5.81 | 6.39 | |
| Law Debenture Corporation (The) | Thursday | 2.0 | 4.5 | |
| Rentokil Group | Tuesday | 0.85 | 1.4 | |
| Rock Darham | Monday | — | 0.7525 | |
| Smallshaw (R.) (Knitwear) | Wednesday | 0.5 | 1.25 | |
| Taylor Woodrow | Tuesday | 3.4404 | 10.1574¶ | |
| Tube Investments | Wednesday | 12.5 | 13.0 | |
| **INTERIM FIGURES** | | | | |
| Goode Durant and Murray Group | Thursday | | | |
| Mole (M.) and Son | Monday | | | |
| Westminster Property Group | Wednesday | | | |

* Dividends shown net pence per share and adjusted for any intervening scrip issue. ‡ Includes non-recurring dividend of 0.418 [illegible] versary dividend of 0.5p. ¶ Inclu[illegible] first, second and third interims.



# Scottish Utd. up 14%

After tax of £785,419 against £687,630, and preference dividends, revenue available of Scottish United Investors, increased by 13.6 per cent to £1.2m for the first half of 1980, compared with £1.05m.

To reduce disparity with the final the directors announce an increased interim dividend of 0.85p (0.7p) net per 25p share—last year's final was 1.45p paid from revenue available of £2.47m.

Gross revenue for the six months totalled £2.94m (£2.51m), and preference dividends took £33,600.

Following the board's policy of progressively increased investment in overseas markets, some £4.7m, including about £1m from London and Scottish Marine Oil (LASMO), was switched from a rising UK market during the half year, principally into Australia, Japan, and the US.

### RIGHTS & ISSUES

Revenue of Rights and Issues Investment Trust increased to £101,693 for the first half of 1980, compared with £75,962, subject to tax of £35,182 against £28,745.

The interim dividend is unchanged at 1p net per 25p income share—last year's final payment was 2.48p paid from pre-tax revenue of £168,905.

Net asset value per income share, as at June 30, is shown as 41.12p (38.35p) and 72.93p (66.11p) per capital share.

### BRIT. AMERICAN

Attributable income of British American and General Trust for the half-year to June 30, 1980, rose from £530,767 to £635,773 after tax, of £382,684, compared with £321,934.

Gross income for the period was £1.11m (£939,554). Earnings per 25p share are shown as 1.27p (1.06p).

The interim dividend is increased from 0.825p to 0.925p net.

The valuation of investments, including net current assets, as at June 30 last was £30.21m (£27.17m as at December 31, 1979) and the net assets value per stock unit was 58.3p for period 152.2p for period).

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# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

Having indicated a few weeks ago that it was willing to offer 168p per share for Wilkinson Match, Allegheny Ludlum, the U.S. diversified industrial company, made an agreed bid of 187p per share cash for the 55.8 per cent of the WM shares it does not already own.

Courtaulds is planning to take full control of two of its offshoots which have minority shareholders. It is making agreed bids for the outstanding shares of Kayser Bondor and Macanie (London). Shareholders in Kayser are being offered 100p per share cash and in Macanie 30p per share cash, in deals worth a total of £1.05m.

Scottish and Newcastle Breweries is to pay £23m cash for seven hotels and 13 restaurants which Thorn EMI has had on the market for some months. The purchase is some £7m below industry estimates, but £6m above the book value in Thorn EMI's accounts.

Low and Bonar agreed to pay Bemis Company of the U.S. C$11m (£4m) for the 45 per cent minority interest in Bonar Bemis, their jointly-owned Canadian packaging company.

Almost a year after the failure of its £8.7m offer for Wellman Engineering, Redman Heenan International accepted a bid worth £2.24m net from brokers James Capel for its 27.4 per cent stake in Wellman at 88¾p per share. The stake has been sold to a small number of institutional clients.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £m's** | Bidder | Final Acc't'ce date |
|---|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | | |
| Barget | 12*‡ | 23 | 18 | 0.17 | Tinnox | — |
| Bio-Kil | 150* | 142 | 100†† | 1.50 | Laporte | — |
| Christy Bros. | 30* | 38 | 33 | 0.60 | Simon and Coates | — |
| Corn Exchange | 53½ | 50 | 47 | 11.90 | British Land | — |
| County and Dist. Props. | 190* | 181 | 195 | 16.35 | Costain | — |
| Cray Elect. | 31*§ | 38 | 34 | 0.93 | Thrgmrtn. Tst. | — |
| Doloi Tea | 270° | 275 | 275 | 0.29 | Tategold | — |
| Hay's Wharf¶¶ | 250* | 243 | 272 | 53.74 | Kuwait Inv. Office | — |
| Hensher | 102* | 103 | 78 | 1.63 | Tebbitt | — |
| Hensher 'A' | 99* | 102 | 75 | 3.17 | Tebbitt | — |
| Kayser Bondor | 100*§ | 98 | 56 | 0.67 | Courtaulds | — |
| *Lidstone* | 280* | 310 | 290 | 0.51 | Gresham Hse. Estate | — |
| L. K. Industrial Invs.¶¶ | 16½* | 26 | 16 | 0.20 | Caparo Invs. | — |
| Macanie (Lond.) | 30*§ | 30 | 23 | 0.38 | Courtaulds | — |
| Manson Trust | 39° | 46 | 33 | 3.84 | Hong Leong Finance | — |
| Mackinnon Scot. | 48½† | 47½ | 25½ | 1.16 | Dawson | — |
| Marshall Cvndish. | 31* | 28½ | 27 | 4.60 | Times Publishg. Berhad | — |
| McCleery L'Amie | 19§§ | 17 | 17 | 2.44 | Lamont | 5/8 |
| Nationwide Leisure | 6*‡ | 8 | 9 | 0.66 | Rantlodge | — |
| Revertex | 50° | 43 | 44 | 5.02 | Yule Catto | — |
| Rolls-Royce¶¶ | 65 | 64 | 56 | 38.41 | Vickers | 11/8 |
| RTD | 5½* | 12 | 6½ | 0.12 | Simon and Coates | — |
| Selection Trust | £12¾† | £12½ | £12½ | 405.2 | BP | 10/8 |
| Stanhope Gnl. Inv. | 200* | 192 | 170 | 2.56 | *Dares Estates* | — |
| Unicorn Inds. | 137½* | 130 | 121 | 40.15 | Foseco Mnsp. | 8/8 |
| UK Props. | 55½ | 53 | 47½ | 23.28 | British Land | — |
| Wilkinson Match | 187*§ | 180 | 160†† | 29.73 | Allegheny Ludlum | — |
| Wolf Electric | 119 | 115 | 82 | 15.35 | Dobson Park | — |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 1/8/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ☆ Ordinary share alternative.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Acrow | Mar. | 2,020 | (13,780) | 4.0 | (15.6) | 3.0 | (3.0) |
| Alexander (W.) | Mar. | 3,310 | (2,760) | 18.1 | (15.1) | 4.0 | (3.0) |
| Amsteel Group | Mar. | 226‡ | (—) | — | (—) | — | (—) |
| Belhaven Brewry. | Mar. | 111 | (54)L | — | (—) | — | (0.45) |
| Blackman & Cord. | Jan. | 180 | (81) | 2.5 | (1.0) | — | (—) |
| Brady Industries | Mar. | 826 | (409) | 14.4 | (17.2) | 4.25 | (3.0) |
| Bort Boulton | Mar. | 1,090 | (14) | 74.1 | (2.0) | 10.0 | (7.0) |
| Dixons Photo. | Apr. | 10,921 | (10,717) | 19.1 | (19.6) | 3.33 | (2.85) |
| *Dyson (J.)* | Mar. | 1,640 | (1,920) | 11.2 | (9.0) | 5.0 | (4.5) |
| Elbief | Apr. | 311 | (354) | 1.4 | (1.7) | 1.3 | (1.3) |
| Fitch Lovell | Apr. | 11,165 | (8,817) | 13.3 | (9.7) | 5.2 | (4.66) |
| Greycoat Estates | Mar. | 242 | (299) | 2.4 | (1.3) | 0.32 | (0.28) |
| Gresham *House* | Dec. | 544 | (451) | 8.1 | (6.0) | 3.65 | (3.3) |
| Gresham Inv. Tst. | Mar. | 1,470 | (1,220) | 5.6 | (4.7) | 3.0 | (2.35) |
| Hampson Inds. | Mar. | 706 | (584) | 2.5 | (2.0) | 0.8 | (0.73) |
| Heron Corpn. | Mar. | 10,800 | (8,227) | — | (—) | — | (—) |
| Inchcape | Mar. | 65,610 | (41,050) | 43.1 | (20.2) | 18.16 | (16.5) |
| Jarvis (J.) | Mar. | 701 | (248)L | 46.1 | (—) | 12.0 | (10.9) |
| Lep Group | Dec. | 6,770 | (4,520) | 49.0 | (36.0) | 16.5 | (12.5) |
| Macarthy Pharms. | Apr. | 3,152 | (3,777) | 20.7 | (32.0) | 6.5 | (6.5) |
| Manson Finance | Apr. | 891 | (662) | 4.3 | (4.4) | 3.5 | (2.63) |
| Phillips Patents | Mar. | 18 | (111) | 0.9 | (1.0) | 1.0 | (—) |
| Ransom (Wm.) | Mar. | 720 | (690) | 23.9 | (22.2) | 5.6 | (4.93) |
| Regional Props. | Mar. | 1,630 | (1,340) | 4.7 | (3.8) | 1.9 | (1.5) |
| Sommerville (W.) | May | 310 | (307) | 22.5 | (22.0) | 4.5 | (6.04) |
| Stirling Knitting | Mar. | 407 | (306) | 14.5 | (10.9) | 0.85 | (0.75) |
| Thwaites (Daniel) | Mar. | 3,120 | (2,560) | 38.3 | (26.9) | 7.0 | (5.5) |
| Unilock | Mar. | 1,510 | (1,360) | 6.5 | (4.7) | 2.1 | (1.8) |
| Ward & Goldstone | Mar. | 2,610 | (3,000) | 17.2 | (19.7) | 5.4 | (4.99) |
| Wyatt (Woodrow) | Mar. | 300 | (369) | 8.0 | (7.5) | 2.5 | (2.5) |

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| City Offices | June | 878 | (675) | 1.3 | (1.3) |
| Felixstowe Tank | June | 234 | (148) | 2.5 | (2.5) |
| Ford (Martin) | May | 101 | (669) | 0.65 | (1.3) |
| Gallaher | June | 35,700 | (19,600) | — | (—) |
| Grindlays Hldgs. | June | 17,330 | (17,890) | 1.25 | (1.06) |
| Habit Precision | Mar. | 18 | (41) | 0.55 | (0.55) |
| Hirst & Mallinson | May | −274L | (160) | — | (1.3) |
| Jourdan (Thos.) | June | 331 | (108) | 1.75 | (1.5) |
| Lex Service | June | 7,900 | (12,000) | 2.8 | (2.8) |
| Nat. West. Bank | June | 224,800 | (216,000) | 8.75 | (7.25) |
| Plastics Cons. | Mar. | 106 | (124) | 0.84 | (0.84) |
| Portsmth. Sndlnd. | June | 540† | (967)† | — | (—) |
| Pratt (F.) | Apr. | 545 | (388) | 2.2 | (2.2) |
| Prestige | June | 2,240 | (2,420) | 2.5 | (2.5) |
| Reed Intl. | June | 11,800† | (26,500)† | — | (—) |
| *Vantona* | *May* | 1,420 | (4,020) | 3.0 | (3.0) |
| Witter (Thomas) | May | 451 | (647) | 0.7 | (0.7) |

(Figures in parentheses are for corresponding period.)

** Dividends shown net except where otherwise stated.* † First quarter figures. ‡ Figures for the first full trading year. L Loss.

## Offers for sale, placings and introductions

**Baker Electronics:** *Coming to the market with a placing of 800,000 10p shares at 60p a share under Stock Exchange Rule 163 (2).*

# Watsham's nears £0.8m and plans expansion

TAXABLE profits of Watsham's, manufacturer and supplier of specialised products in the optical instrumentation, and industrial safety industries, rose from £701,543 to £793,595 for the year ended March 31, 1980. Turnover increased to £3.71m, against £3.3m.

Mid-term profits were up from £291,000 to £341,000.

The directors say the company continues to have no borrowings and cash reserves are to be used for further expansion. Cash, bank balances and investments totalled £1.2m at the year-end.

A final dividend of 5.45p lifts the total payment from 8.1p to 9.2p net. Earnings per 25p share are shown to have risen by 5.3p to 24.8p.

Tax charge was lower at £148,030 (£193,386), and minorities absorbed £66,510 (£50,269). There were substantially higher extraordinary debits of £252,379, against £16,370, relating mainly to closure of the telecommunication structure subsidiary.

A factory sale since the year-end has added about £200,000 to the company's cash reserves, the directors state.

### SCOTT. AMERICAN

Net revenue of the Scottish American Investment Company showed a modest increase from £0.95m to £1.01m for the first half of 1980 and it is not expected that net income for the full year will increase as rapidly as in 1979.

The directors say it is clear that a recession is under way in North America, as well as in the UK, and the company's profits for 1980 will be severely affected. Last year, net revenue rose from £1.71m to £1.98m.

As known, the interim dividend has been raised from 1p to 1.25p net—it is hoped at least to maintain the final at last year's level of 2.5p.

At June 30, net asset value was ahead at 141.3p per 50p share, against 116.1p a year earlier.

*Oil and energy related shares* have been exceptionally firm in all markets. Some sales have been made, but this area still amounts to some 25 per cent of shareholders' net assets. The LASMO holding has been reduced to 950,000 shares, equivalent to 9.5 per cent of net assets.

# Halftime advance for GRA

Taxable profits of GRA Property Trust, the greyhound racing, catering and property group, jumped from £169,000 to £416,000 in the *half-year to* April 30.

The directors say the milder weather conditions of last winter, together with the benefit of improved operating margins, were the major factors for the advance.

For the whole of last year profits leapt from £566,000 to £1.09m.

The surplus for the first six months of the current year was struck before asset disposals, exceptional items and tax.

Turnover rose from £4.83m to £5.6m and after net rental income down by £14,000 to £5,000 and group overheads of £139,000 (£115,000) trading profit showed a rise to £700,000 (£505,000.)

Interest charged fell from £336,000 to £284,000.

*The directors say that the right* to run ten-race meetings since April 1 has helped to cushion the worst effects of the present recession.

A further payment of £320,000, representing 10p in the £ and making 85p in the £ to date, was paid or provided at July 31, last, *in respect of claims admitted* from unsecured scheme creditors.

### ASSOCIATES DEAL

On July 31 subsidiary Lazard Securities, bought on behalf of discretionary investment clients, 50,000 British Insulated Callenders Cables ordinary at 131p.

Lazard Brothers is advising Higgs and Hill, which is contesting a bid approach by BICC.

## Authority well ahead

A substantially higher surplus on sale of investments, at £71,804 against £1,318, helped lift taxable profits of Authority Investments from £77,917 to £132,441 for the six months to March 31, 1980.

Turnover of this banking, investment and property concern expanded by £1.16m to £2.17m.

After a tax charge of £3,731 (£693), stated earnings per 20p were up by 1.03p at 2.57p.

The pre-tax surplus was down from £371,550 to £205,958 in the last full year.

## EUROPEAN OPTIONS EXCHANGE

| Series | | Oct. Vol. | Oct. Last | Jan. Vol. | Jan. Last | April Vol. | April Last | Stock |
|---|---|---|---|---|---|---|---|---|
| ABN C | F.320 | 3 | 3.50 | 1 | 6 | — | — | F.312 |
| AKZO C | F.25 | 5 | 0.50 | 45 | 1 | 3 | 1.40 | F.23.50 |
| AKZO C | F.27.50 | 25 | 0.20 | — | — | — | — | " |
| AKZO P | F.25 | — | — | 5 | 2.30 | — | — | " |
| KOOA C | $60 | 5 | 4 | — | — | — | — | $61⅝ |
| HEIN C | F.60 | 3 | 4.60 | — | — | — | — | F.63.40 |
| HEIN C | F.65 | 5 | 2.30 | — | — | — | — | " |
| HEIN P | F.60 | 5 | 1.30 | — | — | — | — | " |
| HEN P | F.48 | 10 | 15.50 | — | — | — | — | " |
| HOOG C | F.17.50 | 108 | 1.10 | — | — | — | — | F.17.20 |
| IBM C | $70 | 2 | 1⅝ | — | — | — | — | $65⅛ |
| KLM C | F.60 | 64 | 6.60 | 13 | 8 | 3 | 10 | F.66.20 |
| KLM C | F.70 | 325 | 2.80 | 6 | 3.80 | 8 | 4.50 | " |
| KLM C | F.80 | 30 | 0.70 | — | — | — | — | " |
| KLM P | F.60 | 34 | 2.20 | 10 | 4 | — | — | " |
| KLM P | F.70 | 38 | 7.50 | 5 | 8.60 | — | — | " |
| NATN C | F.110 | 2 | 8.30 | — | — | — | — | F.118.10 |
| PHIL C | F.17.50 | 46 | 2.20 | 3 | 2.40 | — | — | F.19.50 |
| *PHIL C* | F.20 | 40 | 0.60A | 29 | 0.90A | 7 | 1.20 | " |
| PHIL C | F.22.50 | 5 | 0.20 | — | — | — | — | " |
| PHIL P | F.17.50 | — | — | 30 | 0.60 | — | — | " |
| POLA C | $30 | — | — | 2 | 3½ | — | — | $27¾ |
| OLIE C | F.150 | 21 | 20.30 | — | — | — | — | F.170 |
| OLIE C | F.160 | 66 | 11.20 | 13 | 11.90 | — | — | " |
| *OLIE C* | F.170 | 109 | 4.70 | 43 | 6.50B | 11 | 8.60 | " |
| OLIE C | F.180 | 20 | 1.80 | 41 | 2.90A | 24 | 4 | " |
| OLIE P | F.140 | 8 | 0.30 | — | — | — | — | " |
| OLIE P | F.150 | 55 | 0.60 | 11 | 1.50 | — | — | " |
| OLIE P | F.160 | 23 | 2.50A | 13 | 3.80 | 5 | 5.50 | " |
| OLIE P | F.170 | — | — | 12 | 8 | — | — | " |
| UNIL C | F.130 | — | — | 5 | 1.30 | — | — | F.122 |
| UNIL P | F.120 | 4 | 2.20A | — | — | — | — | " |
| XERO C | $60 | 5 | 2⅜ | — | — | — | — | $59 |
| | | Aug. | | Nov. | | Feb. | | |
| BOEI C | $35 | 15 | 3⅝ | — | — | — | — | $38¼ |
| *BOEI C* | $40 | — | — | 15 | 2⅛ | — | — | " |
| OCCI C | $25 | 10 | 1¾ | — | — | — | — | $26⅜ |
| OCCI C | $30 | — | — | 10 | ⅝ | — | — | " |
| ALUM C | $120 | 3 | 10 | — | — | — | — | $129⅛ |

TOTAL VOLUME IN CONTRACTS 1384

C=Call P=Put

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 16 % | ■ Hambros Bank | 16 % |
| Allied Irish Bank | 16 % | ■ Hill Samuel | §16 % |
| American Express Bk. | 16 % | C. Hoare & Co. | †16 % |
| Amro Bank | 16 % | Hongkong & Shanghai | 16 % |
| Henry Ansbacher | 16 % | Industrial Bk. of Scot. | 16½% |
| A. P. Bank Ltd. | 16 % | Keyser Ullmann | 16 % |
| ■ Arbuthnot Latham | 16 % | Knowsley & Co. Ltd. | 18 % |
| Associates Cap. Corp. | 16 % | Langris Trust Ltd. | 16 % |
| Banco de Bilbao | 16 % | Lloyds Bank | 16 % |
| Bank of Credit & Cmce. | 16 % | Edward Manson & Co. | 17 % |
| Bank of Cyprus | 16 % | Midland Bank | 16 % |
| Bank of N.S.W. | 16 % | ■ Samuel Montagu | 16 % |
| Banque Belge Ltd. | 16 % | ■ Morgan Grenfell | 16 % |
| Banque du Rhone et de la Tamise S.A. | 18½% | National Westminster | 16 % |
| Barclays Bank | 16 % | Norwich General Trust | 16 % |
| Bremar Holdings Ltd. | 17 % | P. S. Refson & Co. | 16 % |
| Brit. Bank of Mid. East | 16 % | Rossminster | 16 % |
| ■ Brown Shipley | 16 % | Ryl. Bk. Canada (Ldn.) | 16 % |
| Canada Perm't Trust | 17 % | *Schlesinger Limited* | 16 % |
| Cayzer Ltd. | 18 % | E. S. Schwab | 16 % |
| Cedar Holdings | 17 % | Security Trust Co. Ltd. | 17 % |
| ■ Charterhouse Japhet | 16 % | Standard Chartered | 16 % |
| Choulartons | 16 % | Trade Dev. Bank | 16 % |
| C. E. Coates | 16 % | Trustee Savings Bank | 16 % |
| Consolidated Credits | 16 % | Twentieth Century Bk. | 16 % |
| Co-operative Bank | *18 % | United Bank of Kuwait | 16 % |
| Corinthian Secs. | 16 % | Whiteaway Laidlaw | 16½% |
| The Cyprus Popular Bk. | 16 % | *William & Glyn's* | 16 % |
| Duncan Lawrie | 16 % | Wintrust Secs. Ltd. | 16 % |
| Eagil Trust | 16 % | Yorkshire Bank | 16 % |
| E. T. Trust Limited | 15½% | | |
| First Nat. Fin. Corp. | 19 % | | |
| First Nat. Secs. Ltd. | 19 % | | |
| Robert Fraser | 16 % | | |
| Antony Gibbs | 16 % | | |
| Greyhound Guaranty | 16 % | | |
| Grindlays Bank | ‡18 % | | |
| ■ Guinness Mahon | 16 % | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼%, and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.



CORAL INDEX: Close 487-492 (+2)

# Rationalisation warning to UK DIY industry

BY JAMES McDONALD

INTENSIFIED competition and increasing relative costs in the retail side of the British DIY (Do-It-Yourself) industry may erode profit margins over the next five years and lead to rationalisation and fewer large chains of shops, suggests a review of the industry by *Jordan and Sons (Surveys)*.

A commentary in the survey by Geoffrey Douglas of Hoare Govett, stockbrokers, points out that in the last decade DIY retail chains have won over 30 per cent of a rapidly expanding market. The traditional outlets —High Street ironmongers, builders' and timber merchants —have had to adapt to the new competition and so far, because of the overall growth of DIY, their loss of market share has been only relative.

But this situation could change radically if competition between the multiples intensifies. This is likely because of *the ambitious expansion plans* of existing chains and the aggressive programmes of such newcomers as W. H. Smith, Comet, MFI, Readimix and *Wickes, of the U.S.*

Also, the single most important pressure on prices may come through the increasing involvement in DIY of the major food multiples, Sainsbury, Asda, Fine Fare and Tesco. Mr. Douglas argues that these groups are accustomed to working on relatively low returns: they could effectively reduce the industry's margins and still obtain a better return than on their food retail business.

The survey points out that most of the dominant DIY chains at present—B&Q, Home Charm, Dodge City and Stanley—are all independent. With the arrival on the scene of much larger concerns and new sites becoming more difficult to find, the existing market leaders, "would offer a number of attractions to those seeking to enlarge their DIY interests."

The survey gives financial data on 142 of the largest limited companies in the £2bn a year DIY industry and suggests that this will grow to about £2.8bn by 1985. But growth this year is likely to be less than average. "DIY expenditure should prove more resilient during recession but it cannot be immune from a significant downward analysis of *50 of the companies in the list.* "*The British DIY Industry.*" *Jordan Surveys, Jordon House, £69.*

## LONDON TRADED OPTIONS

| Option | Ex'rcise price | Oct. Closing offer | Oct. Vol. | Jan. Closing offer | Jan. Vol. | April Closing offer | April Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP | 300 | 60 | 50 | 74 | — | — | — | 349p |
| BP | 330 | 38 | 11 | 54 | — | 68 | — | " |
| BP | 360 | 21 | 16 | 35 | 10 | 48 | — | " |
| BP | 420 | 3½ | 2 | — | — | — | — | " |
| Com. Union | 160 | 6½ | 15 | 8 | — | 13 | — | 146p |
| Cons. Gold | 550 | 25 | — | 40 | — | 57 | 1 | 504p |
| Cons. Gold | 600 | 13 | — | 25 | 10 | — | — | " |
| Courtaulds | 90 | 1½ | — | 3 | 5 | — | — | 66p |
| GEC | 460 | 44 | 8 | 70 | — | 83 | — | 479p |
| GEC | 500 | 23 | 22 | 44 | — | 65 | — | " |
| Grand Met. | 140 | 20 | 2 | 28 | — | 33 | — | 155p |
| Grand Met. | 160 | 8½ | 20 | 17 | — | 21 | — | " |
| ICI | 390 | 11 | 2 | 24 | — | 29 | — | 370p |
| Marks & Sp. | 90 | 13 | — | 18½ | — | 23 | 2 | 101p |
| *Marks & Sp.* | 100 | 7½ | 12 | 12½ | — | 16 | — | " |
| Shell | 420 | 22 | 14 | 34 | — | 44 | — | 406p |
| Totals | | | 168 | | 25 | | 3 | |
| | | August | | November | | February | | |
| Imperial Gp. | 80 | 2½ | 14 | 6 | — | 10 | 2 | 80p |
| Imperial Gp. | 90 | ¾ | — | 3 | — | 3½ | 2 | " |
| Lonrho | 74 | 35 | — | 36 | 10 | 30 | 2 | 108p |
| Lonrho | 84 | 25 | — | 26 | 7 | 30 | — | " |
| Lonrho | 94 | 16 | 3 | 20 | — | 25 | 3 | " |
| Lonrho | 104 | 7 | 2 | 14 | 1 | 20 | 2 | " |
| Lonrho | 114 | 3½ | — | 9½ | 75 | 16 | 4 | " |
| P. & O. | 130 | 6 | 10 | 11½ | 6 | 14 | — | 136p |
| Racal Elec. | 260 | 22 | 8 | 39 | — | 52 | — | 278p |
| Racal Elec. | 280 | 9 | 10 | 27 | 2 | 39 | — | " |
| Racal Elec. | 300 | 3½ | — | 17 | 5 | 29 | — | " |
| RTZ | 390 | 78 | 6 | 93 | — | 112 | — | 465p |
| RTZ | 420 | 48 | 10 | 68 | — | 98 | — | " |
| RTZ | 460 | 15 | 6 | 42 | 4 | 67 | — | " |
| RTZ | 500 | 4 | — | 19 | 1 | 47 | — | " |
| Totals | | | 67 | | 118 | | 16 | |

WILLIAM HALL LOOKS AT THE PORT OF BRISTOL'S PROBLEMS

# Trying to be shipshape and in fashion

NEXT WEEK the Port of Bristol's management and the trades unions are holding a high level meeting to discuss the financial crisis now confronting the port.

In the first quarter of the current year Bristol's traffic fell by 16½ per cent, which compares with a forecast increase of 5 per cent. The port has received permission to axe 40 of its 1,100 staff and there are likely to be considerably more redundancies unless the port's trade recovers soon.

The ports of Liverpool and London often catch the headlines because of their deep-rooted financial problems, but little is heard about Bristol's difficulties. However, its problems are just as bad, if not worse.

In terms of traffic Bristol is much smaller than either London or Liverpool, but when it comes to losing money it is up among the leaders. In its last financial year, which ended in March, Bristol lost £7.7m on a turnover of under £20m.

By contrast, Liverpool, which is urgently lobbying the Government for financial help, lost £7.5m on a turnover of £66m. This, in common with *London, is after* heavy redundancy costs.

At operating level London and Liverpool's performance was far superior. Last year, Liverpool earned 9.7 per cent on its revenues, before interest and depreciation deductions. London earned 5.3 per cent. Bristol did little more than break even, with a return of 0.28 per cent.

| PORT OF BRISTOL | Revenue £m | Surplus (loss) £m | Trade m tonnes |
|---|---|---|---|
| 1974 | 9.3 | 0.2 | 5.8 |
| 1975 | 10.6 | (0.1) | 5.3 |
| 1976 | 12.0 | 0.6 | 4.1 |
| 1977 | 15.0 | 1.5 | 4.2 |
| 1978 | 14.7 | (3.4) | 4.2 |
| 1979 | 17.3 | (5.8) | 4.4 |
| 1980 | 19.8 | (7.7) | 4.8 |

If Bristol's heavy financing *charges*, associated mainly with the newly opened £40m Royal Portbury Dock, are included its financial predicament looks worse than London or Liverpool's.

In 1972, when work started on the Royal Portbury Dock, Bristol had borrowings of under £10m, reserves of £8¼m and was earning nearly 20 per cent on its revenues.

By March this year, Bristol's *borrowings had risen* to more than £50m, its reserves had been virtually exhausted and its financing charges were running at around £7m a year. This debt is currently equivalent to £1.50 per tonne of cargo passing through the port while, Bristol's revenues only averaged £4.18 per tonne last year.

However, the big difference between Bristol and London and Liverpool, is that Bristol is a municipally owned port and the running cost rests with the 180,000 ratepayers.

Out of Bristol's 29p in the pound rate for City services, the port takes 10p. Until 1977 Bristol's ratepayers had made no contribution to the port for *decades*, but since then they have had to find £3.5m and with its reserves exhausted the ratepayers will have to fund all future losses.

These figures would spark a ratepayers' revolt in other parts. Indeed, Preston, whose port is making only a fraction of Bristol's losses decided last year to close it because of the burden on ratepayers.

*However*, Bristol is fiercely proud of its history as a port and fought political battles for the right to build Royal Portbury—the first enclosed dock to be *built since* the Second World War.

The new dock can take ships of up to 70,000 dwt, two to three times the size of vessels using Bristol's older docks. Without the new dock, Bristol would have had no long-term future as a port.

Bristol is now paying the price for trying to stay in the same league as say Southampton. The political delays in building *Portbury*—none of which were Bristol's fault—meant escalating costs and financing charges. When work first started on Portbury, Bristol was paying less than 6 per cent for its money. It is now paying 13¾ per cent.

Aside from its debt Bristol brought Portbury "on stream" when there is chronic over-capacity at many of Britain's ports and trade, generally is *stagnating*.

Last year Portbury handled 560,000 tonnes of cargo but this is only a shadow of what it should be handling. Only two of its six berths have been developed and as a result are having to bear many of the overheads associated with the entire Portbury complex.

The cost of developing additional berths is now about £6m apiece. Bristol does not have this money, even if it was sure that it could win sufficient trade to *justify* expansion. Until the extra berths are completed Bristol is unable to maximise its Portbury investment. Bristol is relying heavily on *potential* customers to finance future expansions.

Compared with many British ports, Bristol does have advantages. It does not suffer from a chronic labour surplus and the associated problems which bedevil London and Liverpool. In addition, it has the finest motorway access of any port in Britain.

## Critical

But, Bristol faces a financial crisis of the same magnitude as *London and Liverpol*. It has looked to the EEC for aid, but to no avail. It can expect little sympathy from the present Government given their policy of letting ports solve their own financial difficulties.

Consequently, the Port of Bristol is very much on its own. Some people see the Royal Portbury project as the white elephant which will eventually bankrupt the port. Others still *think* it is a *worthwhile* long-term investment.

Nevertheless, the port cannot go on losing money at the rate of more than £7m-plus per year for long. If it does, Bristol's ratepayers will have to call it a day.

The next few years will be critical. Portbury needs to win considerably more business, and this can only be at the expense of other ports, some suffering *similar financial troubles.*

## APPOINTMENTS

# Engineering director for Reliant Motor

Mr. Ed Osmond has been appointed engineering director of RELIANT MOTOR.

★

Mr. Michael A. Kelly has been appointed vice-president European operations for GENERAL *AUTOMATION*.

★

Mr. Roger Kingdon (chairman and managing director of Newell Dunford Engineering) has been re-elected president of the PROCESS PLANT ASSOCIATION for 1980/81. Mr. Tony Taylor (director of Babcock International) has become deputy president and Mr. John Laithwaite (vice-chairman of Capper-Neill) has been elected to the honorary position of vice-president of *PPA*, for outstanding services to the Association for more than 20 years.

★

Senior vice president Mr. Constantin R. Boden has become head of the FIRST NATIONAL BANK OF BOSTON European division in London. He succeeds senior vice president Mr. Peter Fischoeder, who will serve as head of the bank's loan review division. Senior vice president Mr. James G. Page, II, will move to London, as general manager of the bank's operations in the *UK*. He succeeds Mr. Ira Stepanian, who will return to Boston as executive vice president and head of the bank's commercial banking function.

★

ROBT. BRADFORD (HOLDINGS) has appointed Mr. P. A. Cox and Mr. J. A. G. Stonehouse as directors.

★

Chartered accountants TOUCHE ROSS AND COMPANY states that Mr. J. P. Connolly has been appointed a partner at the *Leeds* office.

★

Mr. Peter Walters, deputy chairman of British Petroleum, has been elected president of the INSTITUTE OF MANPOWER STUDIES in succession to Sir James Dunnett.

# WORLD STOCK MARKETS

# Early easiness on Wall St

STOCKS SLIPPED lower on Wall Street yesterday after the overflow from Thursday's rally ran out of steam.

After firming .52 to 935.84, the Dow Jones Industrial Average shed 3.33 to 932.00 by 1 pm, reducing its rise on the week to 13.91, while the NYSE All Common Index, at $69.41, was off 23 cents on the day but still up 31 cents on the week. Declining issues lead advances by 650-to-585, while trading was fairly heavy at 36.92m against 38.22m at 1 pm Thursday.

Some issues involved in special situations went against the general market trend.

Huyck jumped $3¾ to $24¼—it received a $25.125 a share tender offer from BTR, a U.S. subsidiary of BTR of England. An earlier tender proposal from Wheelabrator-Frye was then withdrawn.

El Paso were active — it said it received general approval on a $300m financial settlement with insurers of three long vessels.

Pullman were up $3 at $32¼ after it lost a Lower Court attempt to block a $28 a share tender by Kerr McGee.

THE AMERICAN SE Market Value Index dipped 0.48 to 314.01, making a loss of 2.46 on the week. Trading volume decreased 566,000 shares to 3.87m, compared with 1 pm Thursday.

Wang Laboratories declined $1½ to $47¾ on profit-taking, following an advance of $4 Thursday on its higher earnings and increased dividends.

Steels that had shown good gains Thursday were off fractionally, while major Oil issues also were lower.

Superior Oil was off by $4 at $160½.

Among mostly little changed Drug issue, Smith Kline rose $1 to $60.

Bethlehem Steel, after gaining more than A$ Thursday, came back $½ to $26¼. U.S. Steel firmed $⅛ to $24⅛.

## Canada

Markets were lower in early trading yesterday, when the Toronto Composite Index dipped 5.96 to 2191.42.

All other indices also lost ground—Oil and Gas 6.07 to 4902.02, Metals and Minerals 2.29 to 2096.08, Golds 2.57 to 4766.78, Banks 1.73 to 381.80, Utilities 0.96 to 256.91 and Paper 0.58 to 197.09.

Going against the general market trend, General Motors moved up $2 to $60½ and Falconbridge Nickel $1 to $132.

## Australia

Prices drifted lower in a weak Mining and Exploration sector.

News that the Surat Basin well, Thomby No. 2, was flowing oil at the rate of 360 barrels a day arrived too late to help check another downturn in Energy issues.

Major partner Crusader, which announced the find just after the close of trading, ended the day 20 cents weaker at A$3.70, while bridge held unchanged at A$4.50.

Woodside, which has been under pressure since abandoning its Buffon No. 1 well earlier this week, shed another 18 cents to A$2.70, while Strata lost 5 cents to A$2.25.

Negative reaction to preliminary tests at the Magoorin shale oil deposit saw Greenvale and also Esperance each drop 40 cents to A$3.40 and A$4.20 respectively.

Western Mining shed 2 cents to A$5.36, despite news that it outlined a major new Brown Coal Area in South Australia.

The rest of the Mining sector drifted on a lack of interest.

## Singapore

Prices fell broadly in quiet trading. The Straits Times Industrial Index slipped to 579.19 from 582.96, which had been the seventh post-1973 high in nine days.

Banks and plantations were broadly lower, while properties were mixed.

Plantations were lead lower by Kuala Lumpur Kepong, off 40 cents to S$5, which said its land was revalued at S$392.4m, an increase of S$247m from current book values. It announced an interim dividend of 10 sen a share, but brokers were disappointed over the lack of a free scrip issue, although the withholding of the interim results left that possibility open for the future. One also said there may have been some disappointment that the revaluation didn't come out even higher.

City Developments climbed to S$2.61 ex all from the theoretical new price of S$2.45. The closing price Thursday was S$3.06.

## Tokyo

Prices closed lower in active trading as increased profit-taking and liquidations more than offset fresh buying. Volume 380m (300m) shares.

Energy-related issues led the fall on massive liquidations with Nippon Oil falling Y80 to 1370, Arabian Oil Y50 to 2700, Teikoku Oil Y30 to 1020 and Mitsubishi Oil Y10 to 380.

Export-Orientated Electricals rallied initially on limited foreign buying but closed lower on profit-taking.

Steels and Heavy Electricals were generally higher, due mainly to foreign buying.

Citizen Watch rose Y2 to 387 following reports that it has contracted to sell wrist watches to China.

## Hong Kong

Stock prices fell across the board amid fears of an increase in U.S. interest rates and an uncertainty surrounding take over and merger rumour. The Hang Seng Index fell 22.38 to 1144.27, although most leaders closed off their lows for the day as operators bought stock at the lower levels.

Cheung Kong fell 70 cents to $HK21.00 following denial of rumour it was making a bid for Green Island Cement, down $HK3.50 to $HK62.

## Johannesburg

Gold shares firmer in fairly active trading in line with the harder gold price. Mining Financials moved in unison. Volume was moderate.

Platinums improved on overseas buying interest, while other Metals and Minerals were firmer.

Industrials closed moderately mixed. Following Thursday's annual results Greatermans were 25 cents down at R9.75.

## Germany

Share prices were mixed in what brokers said was quite trading affected by lower Bond prices.

Stores and Banks were the focus of what trading there was, with Banks mixed and Retailers generally higher.

On the Domestic Bond Market, Public Authority issues shed up to DM 0.50—the Bundesbank bought DM 10m of stock. Eurobonds were also easier with Dollar trends causing uncertainty.

## Milan

Mixed close as market came under pressure of active pre-weekend sales which halted a series of sharp upward sessions.

Several Insurances, Banks and Real Estates—the big gainers of the previous days—were among Friday's losers.

Fiat gained L35 to 1,550 as the resignation of Umberto Agnelli as Chief Executive raised hopes of a change of attitude at the top of the company.

Bonds showed only minor changes.

## Amsterdam

Mainly higher, with Unilever and Royal Dutch each gaining 80 cents, while KLM moved up Fl 2.2 in Dutch Internationals.

**Closing prices for North America were not available for this edition.**

## NEW YORK

## CANADA

## BELGIUM (continued)

## HOLLAND

## AUSTRALIA

## JAPAN (continued)

## Indices

## NEW YORK ACTIVE STOCKS

# Property development boosts Winsor

By Philip Bowring in Hong Kong

WINSOR INDUSTRIAL, Hong Kong's largest quoted integrated textile company, has reported an 11 per cent increase in net profit for the year to March 31 to HK$123.5 (US$25m). In addition, it made extraordinary gains of HK$8.3m compared with HK$5.8m previously.

Earnings per share were 77.9 cents, and a final dividend of 25 cents has been declared, making a total of 37 cents, against 32 cents the previous year. The full year outcome indicated a slowdown in profit growth from textiles in the second half. First half profit was HK$59m, an increase of 30 per cent, and was all from textiles. The second half included earnings from property development.

Profits from property development in the year were HK$16.8m. Group sales rose 17 per cent to HK$1.22bn (US$247m). Direct exports increased by a similar amount to HK$519m, despite a 14 per cent fall in sales to North America.

# Upturn at Trade Development

By Our Financial Staff

TRADE Development Bank Holding, the Luxembourg-based bank holding company, reports earnings of $32.9m for the first half-year, against $18.9m. Total assets were 45 per cent higher at $8.5bn at the end of June, while deposits stood at $7.5bn, compared to $5.2bn.

The upsurge in earnings stemmed largely from rapid growth in the U.S. where its Republic New York Corporation unit, considerably more than doubled profits.



# General Motors planning to expand in Portugal

BY JIMMY BURNS IN LISBON

GENERAL MOTORS, the leading U.S. car maker, is planning to extend its operations in Portugal by acquiring a plant of a state-owned components manufacturer.

The exact size of the investment is not yet known, but it is believed to be a small slice of the $2bn investment programme announced by GM in June 1979 which was aimed at increasing the group's European car capability by about 300,000 vehicles a year.

It is understood that production of rubber and plastic vehicle components at the converted plant in Portugal would be export oriented and linked to the company's new plants in Spain. An assembly plant in Zaragoza and a component plant in Cadiz took the largest slice of the investment announced last year.

The Portuguese site chosen by General Motors is believed to be located 160 kms north-east of Lisboo and is thought to belong to Cimbor, a financially troubled company facing imminent closure. GM said yesterday that it was planning to purchase the site and not the company.

GM's interest in expanding in Portugal is set against the background of new legislation for the automobile sector here. This provides for generous incentives for major investment.

The U.S. company's planned expansion is expected to stimulate Portugal's efforts to have its under-developed industry fully integrated into Europe.

It follows an agreement reached earlier this year with Renault for an expansion programme. Ford Europe has been negotiating with Portuguese officials over the possibility of setting up a $1bn assembly plant.

General Motors' existing site in Portugal is an assembly plant at Azambuya, 30 kms north-east of Lisbon. The plant employs 900 people and assembles Bedford trucks, Vauxhall Chevettes, and Opel Cadets. In 1979 the plant produced 14,108 vehicles, half of which were exported. In Portugal, General Motors lies in sixth place in domestic car sales, and is the second major exporter of commercial vehicles.

# Manufrance to dispose of shops

BY DAVID WHITE IN PARIS

THE LATEST PLAN for reorganising France's troubled Manufrance group involves the sale of most of its network of shops and the splitting up of its manufacturing and other interests between three separate subsidiaries.

The plan, drawn up by the Manufrance board this week and revealed by trade union representatives, is aimed at restoring the group to profit in 1982.

The group, which has been close to bankruptcy for over three years, is counting on some FFr 50m ($12.4m) in aid from an inter-ministerial Government agency as one of the main sources of funding for the plan. The principal shareholder, the Macif insurance company, is waiting for the authorities' reaction.

Employees who have been occupying the Manufrance headquarters at St. Etienne near Lyons called off their protest on the eve of the summer holiday period which started yesterday.

Manufrance is hoping to secure a total of about FFr 340m between now and 1983 to finance investments and cover the intervening losses. These are reckoned at about FFr 27m this year and FFr 21m next year.

The main problem as far as the unions are concerned is the proposed sale of all Manufrance's shops except its large stores in St. Etienne and in Paris.

Under the plan, Manufrance's catalogue mail order business, which has recently shown evidence of a revival in orders, would be placed under a separate operating arm.

A second subsidiary would run the manufacturing side, which involves firearms, bicycles and sewing machines, together with the sporting magazine Le Chasseur Francais.

A third unit would manage the property and other assets which are being transferred from the original Manufrance company, in which the St. Etienne city council is the main shareholder, to the relaunched Societe Nouvelle Manufrance.

# Belgian bank feels squeeze

By Our Financial Staff

LOWER PROFITS as a result of a squeeze on banking margins are reported by Société Générale de Banque, the major Belgian bank, for the first six months of 1980.

Deposits in Belgian Francs and foreign currency rose by 5.1 per cent from the end of 1979 to stand at BFr 502bn at June 10.

# Income slips at Harsco

BY OUR FINANCIAL STAFF

FORECAST from the boardroom of a favourable outlook this year at Harsco, the U.S. steel reclamation company, are undermined by a downturn in *second quarter earnings from* $14.2m or $1.46 a share to $12.4m or $1.23. Sales gained 21 per cent to $267.9m. The company reports.

This brings the total earnings for the first half of the year to $24.3m or $2.41 a share. Sales for the half year are 28 per cent higher at $537.9m, reports the board.

The group is in the midst of an acquisition programme aimed at bringing in some $150m a year in additional sales by 1982. In March, it bought Fairmont Railway Motors and Dartmonth Investments as well as three plastic pipe plants and a 50 per cent stake in Mouget Sagunto of Spain.

# Return to profit for SA retailer

By Jim Jones in Johannesburg

GREATERMANS, the retail group which runs South Africa's largest supermarket chain, Checkers, the department store chain Greatermans, and the retail group Ackermans, returned to profitability in the year to June 30. A pre-tax operating profit of R10.1m ($US13.3m) has been announced, compared with a R3.8m loss in the 1978-79 fiscal year. Turnover was 16.5 per cent ahead, at R792m ($1.04bn), compared with R680m.

The year's profit recovery follows a major reorganisation of the previously troubled department stores operation. In fiscal 1978-79, R8m in exceptional write-offs was applied to the department stores and the Ackermans chain to move poor stocks. The year's loss lay mainly in this.

Helped by higher consumer spending, the department stores are nearing profitability, and are expected to make a significant profit contribution during the current year.

# Silver rise holds back Fuji Photo

By Our Financial Staff

FUJI PHOTO FILM Company, the Japanese photographic film and magnetic tape maker, increased first-half consolidated net profits by 8.1 per cent to Y10.67bn ($47m), from Y9.87bn in the same period of the previous year. Consolidated sales for the six months to April 20 rose by 36.4 per cent, however, to Y225.39bn ($993m).

Product price increases, the yen's depreciation against the dollar and an increased volume of sales contributed to the gain in revenue, the company said, although a sharp rise in silver, a primary raw material, reduced the rise in net income substantially.

The company expects its consolidated net income for the current year, ending October 20, to show a gain of 15.6 per cent to Y24.50bn on sales up 28.3 per cent Y460bn.

# Peabody's fall in earnings slows in third quarter

BY OUR FINANCIAL STAFF

THE DOWNTURN in earnings at Peabody International has slowed in the third quarter. *Earnings are 6.2 per cent lower* at $7.4m, or 70 cents a share, after a fall of 11 per cent in the first three months of the year. The company said that the figures for last year reflect a restatement for pooling of interests and for a 5 per cent stock dividend.

Peabody, one of the U.S. industry leaders in pollution control, improved sales from $160.7m to $174.1m in the third quarter.

The nine month totals show a 9.2 per cent gain in earnings at $17.7m or $1.68 a share, on sales increased from $448.5m to $497.3m.

In May, Peabody announced that pending approval from the Securities Exchange Commission, it was revising the profits total for last year downwards by 30 cents a share, to reflect cost overruns on the Colorado United gas contract. In the March quarter, Peabody wrote off 42 cents a share of extra costs on its Libyan contract.

Peabody has recorded rapid growth in its oil field services divisions, which produce about one-third of profits, and also from its quality control sector which account for 26 per cent of profits. The difficulties over pollution control contracts is not expected to upset longer term earnings prospects.

About 12 per cent of earnings currently come from overseas business, with oil services and quality control areas providing a major boost to future prospects. The group also manufactures equipment for the handling of polluted water and for general handling of fluids. These divisions, together with the solid waste disposal sections, account for some 27 per cent of profits.

# Finmeccanica lifts sales by 32% in first half

BY RUPERT CORNWELL IN ROME

FINMECCANICA, the engineering holding company and subsidiary of the state conglomerate Istituto per la Ricostruzione Industriale (IRI), yesterday announced a rise of almost 32 per cent in first half group turnover to L1,791bn ($2.2bn) from L1,359bn a year earlier.

The biggest jump was in the diesel sector, which due to the acquisition of Isotta Fraschini and Ducati Meccanica, more than doubled its turnover to L61bn. The largest division, the motor sector essentially embracing the Alfa Romeo car company, boosted sales by 20 per cent to L903bn.

Recently Alfa Romeo, at the centre of an interminable row over its planned joint-venture in southern Italy with Japan's Nissan Motor, reported a slight dip in first-half sales to 117,300 units from 117,800 in the same months of 1979.

Orders in the first six months also climbed by over 30 per cent, to L2,090bn. Major improvements in the diesel and diversified products sectors, were partly offset by a drop in new orders at Aeritalia, Finmeccanica's aerospace subsidiary. These were at a high level in 1979 as a result of contracts placed following the Aeritalia's participation in the new Boeing 767 airliner.

# Commercial Union hit by competition

By Our Johannesburg Correspondent

COMMERCIAL Union Assurance of South Africa, which is 45 per cent-owned by UK-based Commercial Union and 30 per cent by Gold Fields of South Africa, has been hit by highly competitive conditions in South Africa's short-term insurance market.

For the six months to June 30, 1980, CUSAF has reported a first-half underwriting profit of R531,000 ($700,000 compared to R1.54m, despite higher net short-term written premiums of R21.0m, against R18.3m. This compares with an underwriting profit of R2.13m and net premiums written of R33.2m for the whole of 1979.

Higher investment income and life profits, however, leave pre-tax profit at R2.39m compared with R3.01m in the corresponding period of 1979, and R5.14m for the whole of last year.

Mr. John Birkenshaw, managing director, doubts that the short-term insurance market will improve until worsening results force a return to more prudent underwriting.

# Argus spells out plans

BY OUR FINANCIAL STAFF

ARGUS, the Toronto-based holding company, has disclosed further details of its planned reorganisation in filings with the Ontario Securities Commission and in letters to shareholders.

As previously reported, the group plans a complex restructuring designed to transfer the iron ore assets of Labrador Mining and Exploration to Norcen Energy Resources. Norcen would then use the royalty income from Labrador's assets for its own oil and gas exploration and development projects.

Under the proposal, Labrador Mining will create a new wholly-owned subsidiary called Norelab Mining Resources and will sell Norelab all its resource assets in return for Norelab common shares.



## BRITISH COMMODITY MARKETS

# Coffee and cocoa fall to four-year lows

BY OUR COMMODITIES STAFF

WORLD COFFEE prices fell still further this week as speculators continued their mass sell-out. Even a short-lived Brazilian frost scare failed to lift the market, which slipped to a new four-year lows at one time.

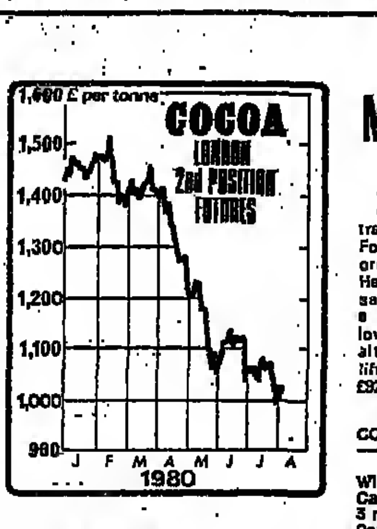
September delivery coffee fell to £1,163 a tonne mid-week before ending the week £114.5 down at £1,171.5 a tonne.

Dealers said there were no new fundamental factors to explain the decline, which was mainly due to speculative selling. They suggested that many of the speculators had been forced to sell because of their inability or unwillingness to meet increased margin requirements following earlier falls.

The Bogota Group of producer countries tried to steady the market with support buying but was overwhelmed by the volume of selling.

A frost warning from the Brazilian Meteorological Institute promised to lift the market at one stage but response to this was surprisingly muted. In any case the frost never materialised.

Cocoa prices also came under heavy pressure which pushed them to their lowest levels for four years. The September position ended the week £52.5 down on balance at £980.5 a tonne following selling which dealers attributed chiefly to producer sources.




The price has now fallen more than £400 a tonne since the International Cocoa Agreement, which was designed to stabilise the market, expired at the end of March. But talks were held in Geneva this week aimed at reviving the pact and delegate sources report that progress was quite hopeful.

The old pact expired following the failure of producers and consumers to agree on a price support range at talks early this year. The subsequent fall in prices has led producers to think again to some extent while consumers remain keen to lend some stability to the market.

On the world sugar market meanwhile prices continued to recover following their recent sharp decline. The London daily raw sugar price was fixed at £287 a tonne yesterday, up £16 on the week.

Copper prices moved sharply *lower this week on the London* Metal Exchange, and the U.S., despite an extension of the U.S. copper workers' strike to two new plants. Cash wirebars closed last night £27 down on the week at £916.5 a tonne, although gaining £12.5 yesterday.

The market started the week on an easier note, depressed by a rise in warehouse stocks *somewhat larger than expected.* The decline accelerated triggering off a cut in U.S. producer domestic copper selling price from $1.08 a pound to $1 in some cases and $1.03 in others. However, the market rallied yesterday following news that Asarco, one of the leading U.S. producers, had declared 100 per cent force majeure on its copper shipments starting from September. This is essentially a protective measure in case the strike continues until then, but it shows that one strike hit producer at least will soon run out of stocks, although Asarco is maintaining full deliveries in August.

Tin prices were buoyed up by a renewed squeeze on immediately available supplies. As a result cash tin closed last night £115 up on the week at £7,270 a tonne, while the three months quotation was £45 higher at £7,232.5.

## WEEKLY PRICE CHANGES

| | Latest prices per tonne unless stated | Ch'nge on week | Year ago | 1980 High | 1980 Low |
|---|---|---|---|---|---|
| **METALS** | | | | | |
| Aluminium | £810/815 | | £710.50 | £810/815 | £760/70 |
| Free Market c.i.f. | [illegible] | | [illegible] | [illegible] | [illegible] |
| Antimony | | | | | |
| Free Market 99.6% | [illegible] | | [illegible] | [illegible] | [illegible] |
| Copper Cash W'bars | £916.5 | −27 | £843.5 | £1,372 | £936 |
| 3 months do. do. | £934 | −23.5 | £862.25 | £1,375.5 | £965.5 |
| Cash Cathode | £879.5 | −26.5 | £815 | £1,318 | £808 |
| 3 months do. | £909 | −26.5 | £833.5 | £1,343.5 | £858 |
| Gold per oz | $614.6 | [illegible] | [illegible] | $850 | $475 |
| Lead Cash | £346.75 | [illegible] | [illegible] | [illegible] | £299.6 |
| 3 months | £361.5 | [illegible] | [illegible] | [illegible] | £308.75 |
| Nickel | £2,558 | [illegible] | £2,654 | £3,477 | £3,166.43 |
| Free Mkt | $256/275c | | [illegible] | [illegible] | $205/205c |
| Platinum per oz | £182.50 | | [illegible] | [illegible] | £182.50 |
| Free Market per oz | £275.70 | −5.45 | £165.50 | £465.8 | £230 |
| Quicksilver (76 lbs) | $380/390 | | [illegible] | [illegible] | $370/380 |
| Silver per oz | 666.80p | −55.9 | [illegible] | [illegible] | 457.80p |
| 3 months per oz | 694.50p | −54.5 | [illegible] | [illegible] | 493.5p |
| Tin Cash | £7,270 | +115 | [illegible] | [illegible] | £7,040 |
| 3 months | £7,232.5 | +45 | [illegible] | [illegible] | £7,115 |
| Tungsten | £143.65 | | [illegible] | [illegible] | £157.75 |
| Wolfram (22.04 lb) | [illegible] | | [illegible] | [illegible] | [illegible] |
| Zinc Cash | £313 | +15.5 | [illegible] | [illegible] | £282 |
| 3 months | £324.75 | +15.5 | [illegible] | [illegible] | £302.25 |
| Producers | $760 | | [illegible] | [illegible] | $780 |
| **GRAINS** | | | | | |
| Barley | | | | | |
| Home Futures | £95.40 | +0.60 | £90.70 | £101.55 | £85.95 |
| Maize | | | | | |
| French No. 3 Yellow (Amer) | | | £107 | £119 | £115 |
| **WHEAT** | | | | | |
| No. 1 Red Spring | | | | | |
| No. 2 Hard Winter | | | | | |
| Eng. Milling (new crop) | £100 | | £92.00 | £105 | £91.0 |
| **SPICES** | | | | | |
| Cloves | £5,760c | | £3,850 | £4,175 | £5,760 |
| Pepper, white | £2,175w | −25 | £2,875 | £3,225 | £2,175 |
| black | £1,525w | +25 | £2,050 | £2,025 | £1,575 |
| **OILS** | | | | | |
| Coconut (Philippines) | | | [illegible] | [illegible] | £570 |
| Groundnut | | | [illegible] | [illegible] | £358 |
| Linseed, Crude | | | [illegible] | [illegible] | £505 |
| Palm, Malayan | | | [illegible] | [illegible] | [illegible] |
| **SEEDS** | | | | | |
| Copra (Philippines) | | | [illegible] | [illegible] | £360 |
| Soyabeans (U.S.) | | | £316.25 | [illegible] | £260.5 |
| **OTHER COMMODITIES** | | | | | |
| Cocoa Shipment | £980.5 | −52.5 | [illegible] | [illegible] | £980.5 |
| Future Sept | £1,171.5 | −114.5 | [illegible] | [illegible] | £1,155 |
| Coffee Futures Sept | [illegible] | | [illegible] | [illegible] | [illegible] |
| Cotton Index | [illegible] | | [illegible] | [illegible] | [illegible] |
| Dessicated Coconut | [illegible] | | [illegible] | [illegible] | £700 |
| Jute UA BWC grade | [illegible] | | [illegible] | [illegible] | £506 |
| Rubber kilo | [illegible] | | [illegible] | [illegible] | 55.50p |
| Sago Pearl | [illegible] | | [illegible] | [illegible] | £204 |
| Sisal No. 3 | [illegible] | | [illegible] | [illegible] | £540 |
| Sugar (Raw) | £287 | +16 | [illegible] | [illegible] | £164 |
| Tapioca No. 1 | [illegible] | | [illegible] | [illegible] | £202 |
| Tea (quality) kilo | [illegible] | | [illegible] | [illegible] | 132p |
| (ordinary) kilo | 70p | | [illegible] | [illegible] | 55p |
| Wooltops 64s Warp | 288p kilo | | [illegible] | [illegible] | 289p kilo |

* Unquoted. (c) Madagascar. (x) Aug./Sept. (t) Aug. (y) Sept.—not available.

## MARKET REPORTS

### BASE METALS

COPPER—Slightly weaker in quiet trading on the London Metal Exchange. Forward metal opened stronger in the pre-market at £934, trading up to £937. Hedge selling hit the price in the second Ring, but the midday Kerb saw a rally to £935. Strong U.S. selling lowered the price to £923 in the early afternoon, but good buying at this level lifted the close on the late Kerb to £928. Turnover: 15,275 tonnes.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 911-2 | +10 | 915-7 | +12.5 |
| 3 months | 927-8 | +7.25 | 933.5-4.5 | +12.5 |
| Settlem't | 912 | +16 | — | |
| Cathodes | | | | |
| Cash | 879-.5 | +10.2 | 883-5 | +13 |
| 3 months | 903-5 | −7.0 | 908.5-9.5 | +12.5 |
| Settlem't | 879.5 | +0.5 | — | ...... |
| U.S. Prod | | ...... | *160-106 | ...... |

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £910, 11. Three months £934, 34.5, 34, 33, 32.5, 31, 30.5, 30, 29.5, 28, 28, 27, 28. Cathodes: Cash £879. Kerb: Wirebars, three months £928. Afternoon: Wirebars, three months £935, 34, 33.5, 34, 35, 34.5, 34. Kerb: Wirebars, three months £928, 27, 26, 24, 25, 25, 26.

TIN—Gained ground in steady trading. Forward metal weakened to £7,230 during the morning, at which point the backwardation was slimmed for a time. The heavy selling pressure eased during the afternoon, and forward metal closed on the late Kerb at £7,235, with the backwardation re-established at around £30. Turnover: 1,940 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 7225-35 | −25 | 7260-80 | ...... |
| 3 months | 7220-40 | −12.5 | 7230-5 | −15 |
| Settlem't | 7235 | −25 | — | ...... |
| Standard | | | | |
| Cash | 7225-35 | −27.5 | 7260-80 | ...... |
| 3 months | 7220-30 | −17.5 | 7250-5 | −15 |
| Settlem't | 7235 | −25 | — | ...... |
| Straits E. | $9170 | +25 | — | ...... |
| New York | — | ...... | — | ...... |

*Morning: Standard, cash £7,260, 40,* 30, three months £7,270, 55, 40, 45, 40, 30. Kerb: Standard, three months £7,235. Afternoon: Standard, three months £7,240, 30, 35, 30. Kerb: Standard, three months £7,231, 34.

LEAD—Moved ahead in good two-way business. The low for the day was £357 with a high of £363. The close on the late Kerb was £361.5. Turnover: 5,825 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 335-41 | +3.5 | 348.5-9 | +7.75 |
| 3 months | 352.5-6 | +8.5 | 361.5-2.5 | +8.25 |
| S'ment | 341 | +4 | — | ...... |
| U.S. Spot | — | ...... | *34.5 | ...... |

Morning: Three months £356, 55.5, 55, 54, 54.5, 54, 52.5, 52, 53. Kerb: Three months £353, 54. Afternoon: Cash £349, three months £359, 57, 59, 60, 61, 63, 62. Kerb: Three months £362, 61.

ZINC—Advanced in more active trading. The day's low point was £316, with the high at £327 and the close on the late Kerb below the best at £322.25. Turnover: 9,925 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 309.5-10.5 | +5.5 | 312.5-3.5 | +3 |
| 3 months | 321-.5 | +2.75 | 324.5-5 | +4.75 |
| S'ment | 310.5 | +5.0 | — | ...... |
| Primw'ts | — | ...... | *35.8 | ...... |

Morning: Three months £312, 20, 21, 24, 25, 23, 22. Kerb: Three months £322, 22.5, 23, 22, 21. Afternoon: Three months £324, 25, 26, 27, 26, 26.5, 25, 24, 24.5. Kerb: Three months £323, 22, 23, 22, 21, 22.

ALUMINIUM—Moved higher in fairly active trading. Pre-market dealings saw the low for the day of £738 and thereafter forward metal advanced steadily to a high for the day of £747. The price drifted off later to a close on the late Kerb of £744. Turnover: 7,550 tonnes.

| Alumin'm | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 753-4 | +15.5 | 757-9 | −26 |
| 3 months | 758-60 | +16 | 746-7 | +19 |

Morning: Three months £737, 38, 39. Afternoon: Three months £743, 43.5, 44, 45, 47, 47.5, 47. Kerb: Three months £742, 43, 44, 43.5.

NICKEL—Gained ground in routine trading. The trading range was narrow, between £2,810 and £2,820 all day, with a close on the late Kerb of £2,820. Turnover: 84 tonnes.

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| Spot | 2750-5 | +5 | 2790-800 | +20 |
| 3 months | 2815-20 | ...... | 2810-20 | +12.5 |

Morning: Cash £2,795. Three months £2,810, 15, 20. Afternoon: Three months £2,820.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

### SILVER

Silver was fixed 4.1p an ounce lower for spot delivery in the London bullion market yesterday at £6.688. U.S. equivalents of the fixing levels were: spot $15.61, down 17c; three-month $15.998, down 15.1c; six-month $16.375, down 18.5c; and 12-month $17.155, down 16.3c. The metal opened at £6.64-£6.70 ($15.45-$15.60) and closed at £6.73-£6.75 ($15.7-$15.85).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. p.m. Unoffic'l | + or — |
|---|---|---|---|---|
| Spot | 668.80p | −4.15 | 674.5p | +4.5 |
| 3 months | 694.50p | −5.7 | 701p | +4 |
| 6 months | 716.00p | −5.7 | | |
| 12 months | 757.30p | −5.7 | | |

LME—Turnover 57 (98) lots of 10,000 ozs. Morning: three months 695, 94.5. Kerb: unraded. Afternoon: three months 705, 02, 01.5, 01. Kerb: three months 698, 700.

### COCOA

Following an easier opening prices eased in light volume to closing levels which were new life of contracts lows, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| Sep | 980-981 | −25 | 990-980 |
| Dec | 1021-1022 | −25 | 1037-1020 |
| March | 1064-1065 | −15.5 | 1076-1055 |
| May | 1085-1087 | −21 | 1099-1080 |
| July | 1106-1110 | −19.5 | 1115-1113 |
| Sept | 1127-1130 | −20 | 1138-1153 |
| Dec | 1150-1160 | — | 1164 |

Sales: 3,840 (2,475) lots of 10 tonnes.

### COFFEE

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Sept | 1171-72 | −41.0 | 1212-115 |
| Nov | 1211-14 | −44.0 | 1269-10 |
| January | 1248-50 | −48.0 | 1614-46 |
| March | 1251-58 | −51.5 | 1282-40 |
| May | 1255-70 | −54.5 | 1305-75 |
| July | 1250-95 | −42.5 | 1298-89 |
| Sept | 1250-155 | | |

Sales: 5,332 (10,183) lots of 5 tonnes.

ICS indicator prices for July 31. (U.S. cents per pound). Other Mild Arabicas 139.50 (138.17). Robustas ICA 1976 134.25 (133.25). ICA 1968 134.50 (133.50). Unwashed Arabicas 207.50 (same). Comp. daily ICA 1968 165.75 (164.86).

### GRAINS

LONDON GRAIN FUTURES—Grain values increased initially due to good shipper buying interest in barley which traded 20p higher. At these levels hedge selling and some profit-taking was seen which halted any further rally and values gradually fell back on strong selling pressure in fairly quiet trading to close weaker 20p-30p down on wheat and 30p-35p down on barley, reports Acli.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 88.50, E. Midlands 86.40, N. East 86.90, Scotland 90.30. Other Milling Wheat: Eastern 96.00.

| Mnth | WHEAT Yesterday close | + or — | BARLEY Yesterday close | + or — |
|---|---|---|---|---|
| Sept. | 95.55 | −0.20 | 91.20 | −0.20 |
| Nov. | 98.30 | −0.15 | 95.40 | −0.30 |
| Jan. | 105.10 | −0.25 | 99.25 | −0.35 |
| Mar. | 106.50 | −0.20 | 102.50 | −0.30 |
| May. | 109.25 | −0.20 | 106.00 | −0.20 |

Business done—Wheat: Sept. 95.75-95.55, Nov. 99.55-99.15, Jan. 103.55-103.05, March 106.65-106.40, May 110.00-109.00. Sales 134 lots of 100 tonnes. Barley: Sept. 91.50-91.05, Nov. 95.60-95.25, Jan. 99.70-99.20, March 102.85-102.60, May 106.15-105.90. Sales: 207 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No 2 14 per cent July 101.75, Aug. 102.25, Sept. 104.25 transhipment east coast. U.S. Hard Winter 13½ per cent Aug. 100, Sept. 101.50 transhipment east coast. Maize: French Aug. 124.00 transhipment east coast. S. African Yellow July/Aug. 80.00. Rest unquoted.

### RUBBER

The London physical market opened slightly steadier, with little interest throughout the day, closing on a quiet note. Lewis and Peat reported an fob price for No. 1 RSS in Kuala Lumpur of 285.75 (285.5) cents a kilo and SMR 20 at 258.5 (same) cents (August).

Sales: 142 (380) at 15 tonnes: 5 (21) at 5 tonnes.

| No. 1 R.S.S. | Yest'day Close | Previous Close | Business Done |
|---|---|---|---|
| Sept | 58.30-58.50 | 56.60-58.70 | 58.40-58.50 |
| Oct | 59.20-59.30 | 59.30-59.50 | 59.25 |
| Oct-Dec | 60.50-60.40 | 60.40-60.60 | 60.80-60.20 |
| Jan-Mar | 64.15-64.20 | 64.20-64.30 | 64.50-64.20 |
| Apr-Jne | 67.20-67.50 | 67.40-67.50 | 67.40-67.15 |
| Jly-Sept | 69.8-70.15 | 70.15-70.20 | 70.00-69.80 |
| Oct-Dec | 72.50-72.60 | 72.55-72.70 | 72.50-72.20 |
| Jan-Mar | 75.10-75.65 | 75.10-75.20 | 75.15 |
| Apl-Jne | 78.00-78.20 | 77.00-78.20 | 78.00 |

Physical closing prices (buyer) were: Spot 56.50p (56.00p). Sept. 60.75p (same). Oct. 61.25p (same).

### SOYABEAN MEAL

The London market opened with gains of £1.00-£1.50 in active two-way trading, reports T. G. Roddick. Fears that crop losses are heavier than originally anticipated owing to dry weather kept prices firm. Late in session end of week profit-taking pared gains and the market finished with rises of 50p-£1.00.

| | Yest'rday Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| August | 117.00-21.0 | +1.8 | — |
| October | 118.20-18.5 | −0.25 | 121.00-18.80 |
| December | 124.20-24.5 | +1.10 | 125.30-23.35 |
| February | 126.20-26.5 | +0.85 | 128.00-25.00 |
| April | 127.50-28.5 | +1.55 | — |
| June | 127.50-31.8 | +1.50 | — |
| August | 126.00-35.0 | +1.50 | — |

Sales: 350 (239) lots of 100 tonnes.

### SUGAR

LONDON DAILY PRICE (raw sugar): £281.00 (£286.00) a tonne cif for July-Aug.-Sept. shipments. White sugar daily price was £319.00 (£321.00).

First trades were some £2.00 above overnight levels but prices quickly fell away until support was uncovered at £333.00, March. Thereafter the market held quietly steady until better New York quotations caused London to rally by some £5.00. Final prices were in the middle of the day's trading range, reports C. Czarnikow.

| No. 4 Con. tract | Yest'rdays Close | Previous Close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Oct | 319.50-319.2 | 311.75-312.0 | 320.00-310.0 |
| Jan | 328.05-330.0 | 322.10-325.0 | 328.00-327.5 |
| Mch | 335.05-335.2 | 329.05-29.25 | 337.50-326.5 |
| May | 331.00-331.5 | 328.05-26.75 | 334.00-329.0 |
| Aug | 322.05-325.0 | 317.00-319.5 | 325.00-322.0 |
| Oct | 312.05-315.9 | 307.00-309.0 | — |
| Jan | 312.05-312.0 | — | — |

Sales: 3,744 (7,585) lots of 50 tonnes.

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales): Aug. 296.00, 297.00, 296.00-285.00, 135; Oct. 324.50, 325.50, 328.50-317.0, 482 (745).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.8 (same) a tonne (or home trade and £384.00 (£392.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for July 31: Daily price 28.80 (28.81): 15-day average 27.09 (26.93).

### WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Aug. 356, 360, nil, nil; Oct. 363, 370, 364.5; Dec. 363, 370, nil, nil; Jan. 370, 374, 372-368, 34; March 372, 375, 370, 6; May 373, 376, 371, 2; Aug. 376, 379, nil, nil; Oct. 374, 380, 376, 2; Dec. 375, 380, 376, 2; Jan. 375, 380, nil, nil. Sales: 51.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). *Australian cents per pound.* Oct. 455.0, 460.0, 460.0-455.0, 39; Dec. 460.0, 461.0, 462.0-460.0, 60; March 468.0, 469.0, 469.0-467.5, 93; May 469.0, 470.4, 472.0-469.0, 105; July 472.0, 473.0, 473.0-471.5, 50; Oct. 472.0, 473.0, 473.0-472.0, 8; Dec. 471.5, 472.8, 473.0-472.5, 11. Sales: 366.

### POTATOES

LONDON POTATO FUTURES—Week-end profit-taking, coupled with easier physical prices, put prices lower today. Buyers gradually withdrew to around 50p down, where some light buying was encountered to set a steady tone at the close, reports Coley and Harper. Closing prices: Nov. 40.10 −50 (high 40.60, low 40.10); Feb. 47.00 −80 (high 47.60, low 47.00); April 54.10 −50 (high 54.60, low 54.10). Turnover: 48 (211) lots of 40 tonnes.

## AMERICAN MARKETS

NEW YORK, August 1.

*THE CATTLE markets came under* pressure as cash markets declined. Hogs were mixed but pork bellies were limit up. Cotton and sugar markets reacted to unfavourable weather and trade buying with a major rally. Local selling put copper lower as the market failed to follow through on the upside. Cocoa was featureless in a very narrow range. Coffee declined the limit when short-covering from the previous price drop was completed. Maize and soyabeans advanced sharply on adverse weather, wheat was slightly lower. Silver closed higher on scattered commission house buying while gold *drifted* slightly lower in a featureless market, reported Heinold.

Copper—Aug. 93.70 (95.00), Sept. 94.60-94.80 (95.80), Oct. 95.10, Dec. 96.00-96.30, Jan. 96.65, March 97.75, May 98.85, July 99.95, Sept. 101.05, Dec. 102.80, Jan. 102.90, March 103.80, May 104.70.

Potatoes (round whites)—Nov. 85.5-85.5 (86.0), March 109.5-110.4 (111.1), April 137.5-138.4.

¶Silver—Aug. 1670.0 (1540.5), Sept. 1580.0-1587.0 (1555.0), Oct. 1600.0, Dec. 1633.0, Jan. 1646.0, March 1677.5, May 1709.0, July 1740.5, Sept. 1772.0, Dec. 1818.0, Jan. 1834.0, March 1865.5, May 1897.0. Handy and Harman bullion spot 1557.00 (1580.00).

Sugar—No. 11: Sept. 31.60-31.70 (30.05), Oct. 32.12 (30.62), Jan. 32.60-32.60, March 33.25-33.50, May 32.85-33.00, July 32.15-32.25, Sept. 31.15-31.50, Oct. 30.60-30.80.

Tin—769.00-778.00 asked (774.25-765.00).

CHICAGO, August 1.

Lard—Chicago loose 2.50 (same): New York prime steam 23.00.

Live Cattle—Aug. 72.05-72.50 (72.60), Oct. 69.60-69.80 (70.57), Dec. 70.10-69.95, Jan. 71.30, Feb. 71.35-71.25, April 72.55, June 73.55-73.70.

Chicago Imm Gold—Aug. 615.5 (615.0), Sept. 623.0-613.0 (623.2), Oct. 627.5, Dec. 640.0-630.0, Jan. 645.0, March 658.0, April 664.0, June 678.0-676.0.

Live Hogs—Aug. 45.65-45.75 (46.37), Oct. 43.30-43.80 (43.70), Dec. 47.25-47.20, Feb. 49.95-50.10, April 49.02, June 51.35, July 51.40, Aug. 51.30, Oct. 51.65.

‡‡Maize—Sept. 340¼-339 (335¼), Dec. — (342½), March 353-349, May 351-353, July 351-354, Sept. 345-344½.

Pork Bellies—Aug. 43.35 (41.35), Feb. 60.57 (58.57), March 60.95-60.80, May 61.30, July 61.25, Aug. 60.60.

†Soyabeans—Aug. 794-795 (773½), Sept. 804-805 (783¾), Nov. 820-823, Jan. 830-831, March 841-842, May 842, July 836-840, Aug. 831.

‖Soyabean Meal—Aug. 217.5-218.0 (213.2), Sept. 221.5-221.0 (218.0), Oct. 224.2-224.5, Dec. 230.0-29.0, Jan. 230.5, March 232.0-231.5, May 233.0, July 233.0, Aug. 232.0-233.0, Sept. 231.0-233.0.

Soyabean Oil—Aug. 27.75-27.80 (27.52), Sept. 27.95-27.90 (27.73), Oct. 28.15-28.10, Dec. 28.50-28.40, Jan. 28.35-28.30, March 28.35-28.42, May 28.30-28.40, July 28.30-28.40, Aug. 28.30-28.40, Sept. 28.30-28.40.

†Wheat—Sept. 464-463½ (465), Dec. 482-483 (485¼), March 495½-496, May 495½, July 496½-497, Sept. 504.

WINNIPEG, August 1.

§Barley—Oct. 138.00 (139.70), Dec. 135.90 (137.10), March 136.70, May 137.20.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 244.04 (246.04).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

### INDICES

**FINANCIAL TIMES**

| July 31 | July 30 | Mnth ago | Year ago |
|---|---|---|---|
| 273.57 | 271.41 | 271.13 | 278.99 |

(Base: July 1, 1952=100)

**MOODY'S**

| July 31 | July 30 | M'nth ago | Year ago |
|---|---|---|---|
| 1222.0 | 1204.8 | 1204.2 | 1056.0 |

(December 31, 1931=100)

**DOW JONES**

| Dow Jones | July 31 | July 30 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 435.05 | 436.01 | 425.12 | 405.79 |
| F'tur's | 447.93 | 442.84 | 449.74 | 403.94 |

(Average 1924-25-26=100)

**REUTERS**

| July 31 | July 30 | M'nth ago | Year ago |
|---|---|---|---|
| 1705.8 | 1700.9 | 1691.9 | 1557.7 |

(Base: September 18, 1931=100)

### COTTON

LIVERPOOL—For the third successive day no spot or shipment sales were recorded, so that the weekly total remained at 352 tonnes against only 56 tonnes in the previous week. There has been no business in seven trading days out of the past 10. Buyers were extremely cautious both because of the high cost of cotton and the uncertain outlook.

### MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on August 1. GB cattle 73.26p per kg lw (−1.32). UK sheep 122.03p per kg est dcw (−14.11). GB pigs 61.54p per kg lw (−5.02).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Moroccan: 54/113s 5.00-5.20; Californian Sunkist: Valencia Lates 72/113s 6.00-6.40; Outspan: Protea/Navels 3.00-5.55; Jaffa: 144/168s 1.25-1.40. Lemons—Italian: 100/150s 4.20-4.50; Spanish: Trays 25/45s 1.80-2.20, boxes 4.50-6.00.

★

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.00, codlings £2.00-£3.20. Large haddock £3.60-£5.00, medium £4.20-£4.50, small £2.50-£3.00. Large plaice £4.00-£5.80, medium £3.80-£5.00, best small £3.20-£4.10. Skinned dogfish (large) £4.00-£7.00, (medium) £4.50-£5.00. Lemon soles (large) £7.00, (medium) £6.00. Reds £1.80-£2.50. Saithe £1.80-£2.50.

Omissions from price tables on this Page are due to an industrial dispute at Reuter.

# Stock Exchange dealings

| | |
|---|---|
| Friday, August 1 | 18,614 |
| Thursday, July 31 | 19,916 |
| Wednesday, July 30 | 19,636 |
| Tuesday, July 29 | 20,016 |
| Monday, July 28 | 20,719 |
| Friday, July 25 | 23,698 |

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessary in order of execution, and only one bargain in any one security at any one price is recorded.

; Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—$Jamaican: $Ma—$Malayan: $Me—$Mexican: $NZ—$New Zealand: $S—$Singapore: $US—$United States: $WI—$West Indian.

BRITISH FUNDS (535)

INTL. BANK (—)

CORPORATIONS (17)

PUBLIC BOARDS (9)

COMMONWLTH. GOVTS. (6)

FOREIGN STOCKS (2)

FOREIGN CORPS. (—)

BANKS (122)

BREWERIES (100)

COMMERCIAL (1,756)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (117)

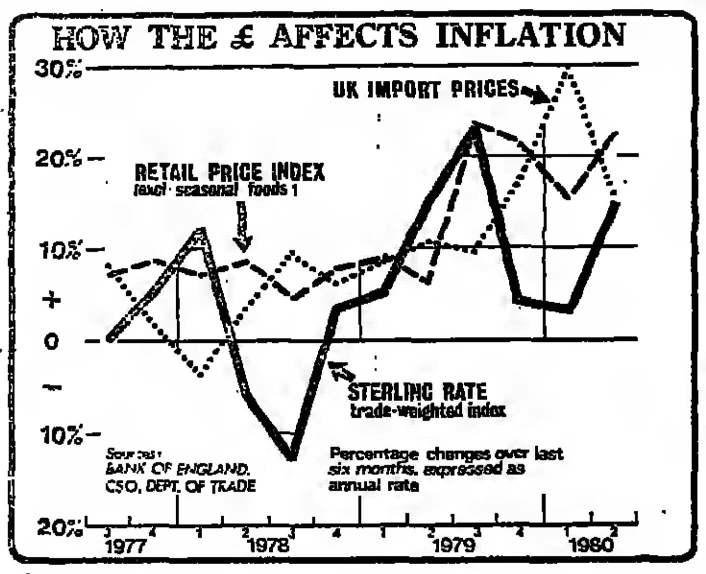
GAS (7)

INSURANCE (187)

INVESTMENT TRUSTS (1007)

# Import prices start to level off

BY DAVID MARSH




A CENTRAL theme of the Government's economic philosophy is that the strength of the pound provides, by holding down import prices, important support for the general strategy of reducing inflation.

The Treasury maintains that if sterling's rise had not occurred the inflation rate would be several points higher.

All the same, the strong pound has had a far more visible impact in financially squeezing British industry than in lowering the rate of price increases.

A key reason for this is that import prices have not weakened during the past year in the way Treasury Ministers might have hoped.

Britain's experience is in contrast to that of other countries, like West Germany and Japan, which have profited during the past few years from the "virtuous circle" of currency appreciation and lower inflation.

There are now signs that UK import prices are at last levelling off, after rising strongly during 1979 and early 1980.

This is, however, a reflection not only of the continuing strength of the pound, but also of the deepening recession in the UK which is encouraging price cutting by foreign and domestic suppliers.

Britain appears to have been hit particularly hard during the past 18 months by larger than expected price rises for imported manufactured goods.

According to Whitehall estimates, import prices for manufactured products—which account for more than half of all imports—rose by about 10 per cent more than world manufacturing prices between the second quarters of 1978 and 1980.

If erratic items like silver (where price rises have been exceptionally large) are included, the extent to which UK import prices have outstripped world prices is even more marked—about 17 per cent.

The big increases in import prices for manufactured goods coming on top of the large price rises for oil and other raw materials, have clearly contributed to the speeding up of inflation.

The big acceleration in import prices came between the third quarter of 1979 and the first quarter of 1980, when manufactured good's prices rose by an annual rate of about 25 per cent, according to Department of Trade figures.

This rise was halted in the second quarter of this year, with manufactured goods' prices actually dropping by 2.5 per cent compared with the first three months.

It reflected a substantial cheapening of semi-manufactured goods (including chemicals), as well as sluggish prices for cars and other consumer products.

But this still left manufactured goods' prises in the April to June quarter around 8 per cent higher than the second quarter of 1979—a period in which sterling had appreciated by over 10 per cent on an overall trade-weighted basis.

Since most imports are priced in foreign currencies, which have been falling fast against sterling, the expectation would be that import prices should have fallen relative to world prices during this period.

Instead, the following seems to have been happening:

● Foreign companies selling goods to the UK have taken advantage of strong demand on the British market during the last year to increase profit margins.

Instead of cutting their sterling prices in line with the fall of foreign currencies against the pound, they have kept prices unchanged or even increased them, and pocketed the extra as higher profits.

This not only led to a surge in import prices but also had a direct effect on "home-made" inflation by reducing competitive pressures on UK companies, and so allowing them to pass on price increases more easily.

● Additionally, some companies have not cut their sterling prices simply because they thought the pound's rise was going to be short lived.

It was hardly surprising that exporters should have reacted in this way. The pound has climbed to a point where it is around 20 per cent over-valued on most forecasters' calculations.

● A final reason why import prices have not responded to the high exchange rate may be because a greater proportion of imports is now invoiced in sterling.

Many UK importers switched to sterling invoicing after they suffered high price rises from the pound's fall in 1976.

They are now regretting the decision as it means they do not reap the benefit of the currency's strength.

Pricing in sterling is thought to be particularly common in trading between different subsidiaries of multinational companies.

There is likely to be a further deceleration in import prices in coming months as the international recession takes hold.

One source of comfort for the Treasury is that any fall in sterling might not increase import costs.

Under present tight competitive conditions, importers into the UK would probably cut their profit margins rather than increase their sterling price, which would be the normal response to a fall in the pound.

The slowdown in import prices is one of the reasons why the Government is now optimistic about a fall in the annual inflation rate to 16.5 per cent by the end of the year.

But there is still some head-scratching going on in the Treasury and elsewhere to find out exactly why, in contrast to the "virtuous circle" theory, the slowdown did not come earlier.

# Fortnum fined over cake

WHEN the Hon. Belinda Robertson cut into a Dundee cake she bought at Fortnum and Mason, she found a one-inch nail embedded in the surface.

That nail and a dirty table and knives cost the store in Piccadilly, London, £225 in fines at Bow Street yesterday.

Fortnum admitted selling the cake and also pleaded guilty to two charges under the 1970 Food Hygiene Regulations. It was fined £75 on each count and ordered to pay £75 costs. Westminster public health inspectors had found dirt in a cracked marble table in the bakery and dirty knives in a drawer, the court was told.

Mr. Stuart Benson, for Fortnum, said the only way the store could think the nail had got into the cake was through one of the ingredients or, more likely, from alterations being

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## ACTIVE STOCKS

### YESTERDAY—

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1980 high | 1980 low |
|---|---|---|---|---|---|---|
| BP | 25p | 6 | 348 | — | 412 | 320 |
| Eng. China Clays | 25p | 6 | 107 | −2 | 112 | 74 |
| Racal Electronics | 25p | 6 | 278 | −3 | 290 | 175 |
| BAT Inds. | 25p | 5 | 275 | +2 | 290 | 223 |
| Dnwty | 50p | 5 | 239 | +5 | 259 | 148 |
| GEC | 25p | 5 | 480 | +2 | 494 | 326 |
| GKN | £1 | 5 | 253 | −4 | 279 | 228 |
| Lonrho 'New' | Nil/pd. | 5 | 22pm | — | 30½pm | 15½pm |
| NatWest Bank | £1 | 5 | 355 | — | 390 | 305 |
| Plessey | 50p | 5 | 215 | — | 223 | 108 |
| RTZ | 25p | 5 | 465 | +2 | 485 | 327 |
| Taylor Woodrow | 25p | 5 | 488 | +12 | 491 | 315 |
| Beecham | 25p | 4 | 147 | −1 | 160 | 108 |
| ICI | £1 | 4 | 372 | — | 402 | 348 |
| Lucas Inds. | £1 | 4 | 220 | +4 | 264 | 165 |

### ON THE WEEK—

| Stock | Denomination | No. of marks | Closing price (p) | Change on week | 1980 high | 1980 low |
|---|---|---|---|---|---|---|
| LASMO | 25p | 41 | 678 | −8 | 830 | 337 |
| GEC | 25p | 38 | 480 | +13 | 494 | 326 |
| Thorn EMI | 50p | 36 | 342 | +14 | 348 | 260 |
| Racal Electronics | 25p | 35 | 278 | +16 | 290 | 175 |
| Reed Intl. | £1 | 35 | 192 | −2 | 215 | 163 |
| Shell Transport | 25p | 33 | 404 | −6 | 432 | 314 |
| Premier Cons. | 5p | 32 | 79xc | −1 | 99 | 36 |
| BP | 25p | 31 | 348 | — | 412 | 320 |
| First Nat. Fin'ce | 10p | 31 | 26½ | +1 | 29 | 9½ |
| ICI | £1 | 31 | 372 | +2 | 402 | 348 |
| RTZ | 25p | 31 | 465 | −2 | 485 | 327 |
| BAT Inds. | 25p | 29 | 275 | −1 | 290 | 223 |
| NatWest Bank | £1 | 29 | 355 | +3 | 390 | 305 |
| Barclays Bank | £1 | 27 | 390 | −5 | 430 | 327 |
| Eng. China Clays | 25p | 27 | 107 | −1 | 112 | 74 |

## LOCAL AUTHORITY BOND TABLE

| Authority (telephone number in parentheses) | Annual gross interest | Interest payable | Minimum sum | Life of bond |
|---|---|---|---|---|
| | % | | £ | Year |
| Knowsley (051 548 6555) ........ | 13¼ | ½-year | 1,000 | 1 |

# BUILDING SOCIETY RATES

| | Deposit rate % | Share accounts % | Sub'pn shares % | *Term shares % |
|---|---|---|---|---|
| Abbey National ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Aid to Thrift ................ | 10.85 | 11.37 | — | — |
| Alliance ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 11.75 3 mths. |
| Anglia ................ | 10.25 | 10.50 | 11.75 | 13.00 6 yrs., 12.50 5 yrs. |
| Bradford and Bingley ......... | 10.25 | 10.50 | 11.75 | 11.25 one month's notice deposit |
| Bridgwater ................ | 10.25 | 10.50 | 12.00 | 12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs. |
| Bristol and West ................ | 10.25 | 10.50 | 11.75 | — |
| Bristol Economic ................ | 10.25 | 10.50 | 11.75 | 10.75 3 months |
| Britannia ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 11.25 3 months' ootice |
| Burnley ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Cardiff ................ | 10.50 | 11.50 | 12.50 | — |
| Catholic ................ | 10.05 | 10.75 | 11.65 | — Share a/cs 10.95 over £5,000 |
| Chelsea ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths. |
| Cheltenham and Gloucester | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Cheltenham and Gloucester | — | 11.50 | — | — Premium shares including 1.00 boous p.a. (£15,000 or £20,000) |
| Citizens Regency ................ | 10.25 | 10.85 | 12.05 | 12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs. |
| City of Loodon (The) ......... | 10.50 | 10.80 | 11.80 | 12.00 Capital City shares—4 mth. oot. |
| Coventry Economic ............ | 10.25 | 10.50 | 11.75 | 12.00 4 yr., 11.5 3 yr., 11.25 3 mth. oot. |
| Coventry Provident ............ | 10.25 | 10.50 | 12.50 | 12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n. |
| Derbyshire ................ | 10.25 | 10.50 | 11.75 | 11.30 3 months' notice |
| Ealing and Acton ................ | 10.25 | 11.00 | — | 11.65 2 years, £2,000 minimum |
| Gateway ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Greenwich ................ | — | 10.75 | 12.00 | 12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs. |
| Guardian ................ | 10.25 | 10.75 | — | 12.25 6 mth., 11.75 3 mth., min. £1,000 |
| Halifax ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Heart of England ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 11.00 3 mths. notice |
| Hearts of Oak and Enfield... | 10.25 | 10.75 | 12.25 | 12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs. |
| Hendon ................ | 10.50 | 11.00 | — | 12.00 6 months, minimum £2,000 |
| Huddersfield and Bradford... | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Lambeth ................ | 10.25 | 10.75 | 12.50 | 12.50 5 yrs., withdrawals aft. 18 mths. |
| Leamington Spa ................ | 10.35 | 10.60 | 14.19 | 12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs. |
| Leeds Permanent ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Leicester ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Liverpool ................ | 10.25 | 10.50 | 11.95 | 12.50 5 years, minimum £1,000 |
| Melton Mowbray ................ | 10.35 | 10.60 | 11.75 | 12.10 4 yrs., 11.35 2 yrs. |
| Morningtoo ................ | 10.75 | 11.75 | — | — |
| National Counties ................ | 10.50 | 10.80 | 11.80 | 11.90 6 mth., 11.35 3 mth., min. £1,000 |
| Nationwide ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| New Cross ................ | 11.00 | 11.25 | — | 11.25-12.50 oo share accs. depending on min. belance over 6 mths. |
| Northern Rock ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Norwich ................ | 10.25 | 10.50 | 12.00 | 11.50 3 yrs., 11.25 2 yrs., min. £500 |
| Paddington ................ | 10.00 | 11.00 | 12.50 | 11.75 6 months, 11.50 3 mooths |
| Peckham Mutual ................ | 10.50 | 11.00 | — | — |
| Portman ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 11.55 6 months' notice |
| Property Owners ................ | 10.25 | 11.00 | 12.25 | 12.50 av. 4 yr., 12 6 mth., 11.55 3 mth. |
| Provincial ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Skipton ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 11.6 WDL 1 mth. loss int. |
| Sussex County ................ | 10.50 | 10.75 | 12.55 | 12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs. |
| Sussex Mutual ................ | 10.50 | 10.85 | 12.50 | 11.25-12.50 all with special options |
| Town and Country ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |
| Walthamstow ................ | 10.25 | 10.60 | 11.75 | 12.60 5 yrs., 11.6 6 mth. not. min. £500 |
| Wessex ................ | 10.50 | 11.20 | — | 12.20 6 mth. not. WDL mio. 3 yrs. |
| Woolwich ................ | 10.25 | 10.50 | 11.75 | 12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs. |

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

(By permission of the Stock Exchange Council)

## UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (since July 3, 1980)

The Treasury bill rate rose by 0.2693 per cent at yesterday's tender to 14.7076 per cent, and the minimum accepted bid was £96.30, compared with £96.39 the previous week. Bids at that level were met as to about 39 per cent and above in full. The £300m bills on offer attracted bids of £641.71m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day-to-day credit remained in short supply in the money market, with the call on Exchequer 12½ per cent 1985 "A" stock being the principal factor draining funds. There was also a moderate net take up of Treasury bills to finance. The authorities gave assistance on a very large scale, comprising moderate purchases of Treasury bills both from banks and discount houses, and a small number of local authority bills from the houses. In addition they lent a small amount to 2 or 3 houses at MLR for repayment on Monday. In the market's favour, Government disbursements exceeded revenue transfers to the Exchequer by a small amount, and banks brought forward balances a small way above target. In the interbank market weekend money opened at 17½-18 per cent and touched 18½-19 per cent before finishing at 10-12 per cent. Longer term rates were firmer, reflecting disappointment over this week's unchanged MLR.

## EXCHANGES AND BULLION

Trading was much quieter in currency markets yesterday compared with earlier in the week, with business curtailed ahead of the weekend. The dollar maintained its firm undertone but finished slightly below its best level of the day. However the slight easing was mainly a technical reaction. Eurodollar rates continued to rise, showing gains of up to ¼ of a point in places. Against the D-mark the U.S. unit finished at DM 1.7925 compared with DM 1.7815 on Thursday, and SwFr 1.6610 against SwFr 1.6490 in terms of the Swiss franc. The French franc was sharply weaker in late trading, with the dollar finishing at FFr 4.1620 against FFr 4.1220.

Sterling stayed on the sidelines for much of the day in very thin trading. Its trade weighted index stayed at 74.5 at all three calculations, which was slightly down from Thursday's close of 74.7. Against the dollar it opened at $2.3250 and touched a low of $2.3230 during the morning. However it may have been a little oversold and attracted interest at these lower levels so that by noon it had recovered to $2.3350, having peaked at $2.34 during the morning. Afternoon trading saw the dollar ease slightly and sterling touched $2.3400 once again before closing at $2.3330-2.3340, a loss of 95 points, and its lowest level against the dollar for six weeks.

Gold rose $5 an ounce in the London bullion market in very quiet trading to close at $620-$623.

## THE POUND SPOT AND FORWARD

| Aug. 1 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 2.3230-2.3400 | 2.3330-2.3340 | 1.38-1.28c pm | 6.84 | 3.45-3.35 pm | 5.83 |
| Canada | 2.6950-2.7150 | 2.7020-2.7030 | 1.55-1.45c pm | 6.66 | 3.80-3.70 pm | 5.55 |
| Nethlnd. | 4.54-4.58 | 4.55½-4.56½ | 3½-2½c pm | 7.89 | 8½-7½ pm | 7.01 |
| Belgium | 66.45-66.90 | 66.70-66.80 | 30-20c pm | 4.49 | 66-56 pm | 3.65 |
| Denmark | 12.89-12.96 | 12.93-12.94 | ½-½ore dis | −0.29 | 5-6¼ dis | −1.82 |
| Ireland | 1.1050-1.1100 | 1.1060-1.1070 | 0.02p pm-0.02 dis | — | 0.18-0.13 pm | 1.68 |
| W. Ger. | 4.16-4.20 | 4.18-4.19 | 3¾-2¾pf pm | 8.96 | 8¾-7¾ pm | 7.76 |
| Portugal | 116.20-117.00 | 116.30-116.60 | 39c pm-23 dis | 0.82 | 50-125 dis | −3.00 |
| Spain | 167.45-168.50 | 167.85-168.00 | 63-115c dis | −6.36 | 250-337 dis | −6.99 |
| Italy | 1,954-1,973 | 1,967-1,968 | 10½-13½ lira dis | −7.32 | 37½-41½dis | −8.03 |
| Norway | 11.39½-11.43½ | 11.41¼-11.42¼ | 8¼-6¾ore pm | 7.82 | 19¼-17¾ pm | 6.46 |
| France | 9.62-9.74 | 9.70½-9.71½ | 4¾-3¾c pm | 5.25 | 11¾-10¾ pm | 4.43 |
| Sweden | 9.71-9.78 | 9.73-9.74 | 3½-2½ore pm | 3.93 | 7-6¼ pm | 2.72 |
| Japan | 527-536 | 529-530 | 2.20-1.80y pm | 4.53 | 4.90-4.50 pm | 3.55 |
| Austria | 29.55-29.75 | 29.65-29.70 | 17½-15gro pm | 6.57 | 41½-36½ pm | 5.28 |
| Switz. | 3.85½-3.89 | 3.87¼-3.88¼ | 4¾-3¾c pm | 11.99 | 11-10 pm | 10.83 |

Belgian rate is for convertible francs. Financial franc 67.00-67.10. Six-month forward dollar 4.80-4.70c pm, 12-month 6.60-6.50c pm.

## GOLD

| | Aug. 1 | | July 31 | |
|---|---|---|---|---|
| **Gold Bullion (fine ounce)** | | | | |
| Close | $620-625 | (£265¾-267¾) | $615-618 | (£262-263½) |
| Opening | $618-621 | (£265½-267) | $608-611 | (£259½-261) |
| Morning fixing | $602 | (£266.504) | $618 | (£264.585) |
| Afternoon fixing | $620 | (£265.724) | $614.25 | (£263.276) |
| **Gold Coins** | | | | |
| Krugerrand | $630-642 | (£273½-275½) | $640-645 | (£275-275) |
| Mapleleaf | $635-638 | (£272-273) | $636-638 | (£270-273) |
| New Sovereigns | $157-158 | (£67¼-68¼) | $157¼-158¼ | (£66½-67½) |
| King Sovs. | $182-184 | (£78-80) | $183-185 | (£78½-78½) |
| Victoria Sovs. | $182-184 | (£78-80) | $185-185 | (£78½-79½) |
| French 20s | $158-161 | | $160-165 | |
| 50 pesos Mexico | $766-771 | | $761-767 | |
| 100 Cor. Austria | $606-611 | | $605-608 | |
| $20 Eagles | $761-765 | | $745-750 | |
| $10 Eagles | — | | — | |
| $5 Eagles | — | | — | |

## EXCHANGE CROSS RATES

| Aug. 1 | Pound Sterling | U.S. Dollar | Deutschem'k | Japan'se Yen | French Franc | Swiss Franc | Dutch Guild' | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 2.334 | 4.186 | 529.5 | 9.710 | 3.878 | 4.563 | 1968. | 2.705 | 66.75 |
| U.S. Dollar | 0.429 | 1. | 1.795 | 226.8 | 4.161 | 1.668 | 1.955 | 843.0 | 1.158 | 28.61 |
| Deutschemark | 0.250 | 0.558 | 1. | 126.5 | 0.320 | 0.807 | 1.090 | 470.1 | 0.646 | 15.95 |
| Japanese Yen 1,000 | 1.888 | 4.407 | 7.904 | 1000. | 18.34 | 7.325 | 8.617 | 3716. | 5.104 | 126.1 |
| French Franc 10 | 1.030 | 2.403 | 4.310 | 545.3 | 10. | 3.993 | 4.698 | 2026. | 2.785 | 68.74 |
| Swiss Franc | 0.258 | 0.602 | 1.079 | 136.6 | 2.504 | 1. | 1.177 | 507.4 | 0.687 | 17.21 |
| Dutch Guilder | 0.219 | 0.511 | 0.917 | 116.1 | 2.128 | 0.850 | 1. | 451.2 | 0.592 | 14.65 |
| Italian Lira 1,000 | 0.508 | 1.186 | 2.127 | 269.1 | 4.935 | 1.971 | 2.318 | 1000. | 1.374 | 33.93 |
| Canadian Dollar | 0.370 | 0.863 | 1.549 | 183.8 | 3.583 | 1.435 | 1.688 | 728.0 | 1. | 24.70 |
| Belgian Franc 100 | 1.488 | 3.496 | 6.270 | 795.3 | 14.65 | 5.808 | 6.833 | 2948. | 4.049 | 100. |

## FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 1)

| 3 month U.S. dollars | | 6 month U.S. dollars | |
|---|---|---|---|
| bid 10 3/8 | offer 10 1/2 | bid 10 1/2 | offer 10 5/8 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

## LONDON MONEY RATES

| Aug. 1 1980 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount market deposits | Treasury Bills ◊ | Eligible Bank Bills ◆ | Fine Trade Bills ◆ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 10-18 | — | — | — | 16¼-16⅞ | 15-16 | — | — | — |
| 2 days notice | — | — | 17⅛-17¼ | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 17-17¼ | 17⅛-17⅛ | — | 17¼ | 17¾-18¼ | 16 | — | — | — |
| One month | 17-16⅝ | 17-17¼ | 16⅞-17¼ | 17-17⅛ | 17½ | 17⅛-17⅞ | 15¾-15⅛ | 14⅜-14⅜ | 16⅛ | 17 |
| Two months | 16⅝-16⅜ | 16½-16¾ | — | 16⅛-17 | 17 | — | 15¼-15½ | 14⅜-18⅜ | 16 | 16½ |
| Three months | 16⅛-16⅞ | 16⅛-16¼ | 15⅝-16 | 16⅛-17 | 16⅞ | 16⅛-16¾ | 14¾-14⅛ | 14⅜-14⅜ | 16⅛ | 16 |
| Six months | 15-14⅝ | 14⅞-15⅛ | 14⅛-14⅞ | 14⅝-15¼ | 15⅜ | 15⅞ | — | — | 15⅛-15⅛ | 14½ |
| Nine months | 14⅛-14 | 14¼-14⅛ | — | 14⅛-14¾ | 14⅝ | 15 | — | — | — | — |
| One Year | 13¾-13½ | 13¾-13⅞ | 15⅛ | 13⅞-14⅛ | 14⅜ | 14¼ | — | — | — | — |
| Two years | — | — | 13⅛-15½ | — | — | — | — | — | — | — |

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13-13¼ per cent; four years 12⅞-13¼ per cent; five years 12⅞-13¼ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14¾-14⅞ per cent; four-month trade bills 15½ per cent.

Approximate selling rate for one-month Treasury bills 14⅜ per cent; two-months 14⅜-14⅜ per cent; three-months 14⅜ per cent. Approximate selling rate for one-month bank bills 15⅝ per cent; two-months 15⅞ per cent; three-months 15⅛ per cent; one-month trade bills 16¾ per cent; two-months 16¼ per cent and three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from August 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 18 per cent. Treasury Bills: Average tender rates of discount 14.7076 per cent.

## CURRENCY MOVEMENTS

| Aug. 1 | Bank of England Index | Morgan Guaranty Changes % |
|---|---|---|
| Sterling | 74.5 | −31.6 |
| U.S. dollar | 84.9 | −8.9 |
| Canadian dollar | 81.5 | −16.5 |
| Austrian schilling | 156.4 | +24.5 |
| Belgian franc | 116.0 | +14.5 |
| Danish kroner | 107.2 | −4.8 |
| Deutsche mark | 154.8 | +43.8 |
| Swiss franc | 196.7 | +78.8 |
| Guilder | 186.0 | +18.8 |
| French franc | 101.3 | −5.8 |
| Lira | 35.3 | −51.0 |
| Yen | 185.5 | +84.0 |

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

## EURO-CURRENCY INTEREST RATES (Market Closing Rates)

| Aug. 1 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | West German Mark | French Franc | Italian Lira | Asian $ | Japanese Yen |
|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 18-18¼ | 10¼-10½ | 10½-11½ | 8⅝-9⅞ | 5¾-6 | 8⅞-9 | 10-12¼ | 17-08 | 3⅛-4⅛ | 13¼-13⅝ |
| 7 days' notice | 18¼-18½ | 10⅛-10⅜ | 10½-11½ | 9⅝-9⅞ | 6¼-5¾ | 8⅛-9 | 12-12¼ | 22½-26½ | 9⅞-10 | 13⅛-15¼ |
| Month | 17⅛-17⅜ | 10¾-11 | 10¾-11⅛ | 8¾-9⅜ | 5⅛-6⅛ | 8⅛-8⅛ | 18-12¼ | 25⅛-26 | 10⅜-10⅞ | 13-15¼ |
| Three months | 16⅛-16½ | 10½-10¾ | 10⅝-11 | 9¼-9½ | 5⅛-5⅛ | 8⅜-8⅞ | 11⅛-10⅛ | 25½-25 | 10⅛-10⅛ | 18⅜-18⅝ |
| Six months | 14⅞-16½ | 10⅝-10½ | 10⅝-11 | 9⅛-9⅜ | 6⅛-5⅛ | 8-8⅛ | 11⅛-12⅛ | 25¼-24¾ | 10⅜-10½ | 11½-11⅝ |
| One Year | 15⅞-14⅛ | 10⅞-11⅛ | 10⅝ 11 | 9⅛ 9⅜ | 5¼-5⅜ | 7¾-7⅞ | 11¾-12 | 20½-22 | 10⅛-10⅛ | 10-10⅛ |

Long-term Eurodollar two years 11-11⅛ per cent; three years 11⅛-11⅛ per cent; four years 11¼-11½ per cent; five years 11⅛-11⅝ per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.90-10.00 per cent; three-months 10.05-10.15 per cent; six-months 10.15-10.25 per cent; one year 10.30-10.40 per cent.

## EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU August 1 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 39.7897 | 40.3154 | +1.32 | +0.00 | ±1.53 |
| Danish Krone | 7.72336 | 7.81270 | +1.16 | +0.24 | ±1.64 |
| German D-Mark | 2.48208 | 2.52500 | +1.73 | +0.81 | ±1.125 |
| French Franc | 5.84700 | 5.84701 | — | −0.92 | ±1.3557 |
| Dutch Guilder | 2.74362 | 2.75479 | +0.41 | −0.31 | ±1.512 |
| Irish Punt | 0.668201 | 0.669656 | +0.22 | −0.70 | ±1.668 |
| Italian Lira | 1157.79 | 1189.64 | +2.75 | +2.15 | ±4.08 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

## OTHER CURRENCIES

| Aug. 1 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 4386-4406 | 1883-1890 | Austria | 28.45-28.75 |
| Australia Dollar | 2.0245-2.0286 | 0.8685-0.8690 | Belgium | 66.55-67.15 |
| Brazil Cruzeiro | 124.87-125.87 | 53.68-55.88 | Denmark | 12.86-12.98 |
| Finland Markka | 8.55-8.64 | 3.6610-3.6600 | France | 9.60½-9.66½ |
| Greek Drachma | 100.436-102.678 | 43.25-43.40 | Germany | 4.16-4.19 |
| Hong Kong Dollar | 11.54¾-11.56¾ | 4.9580-4.9610 | Italy | 1850-8050 |
| Iran Rial | n.a. | n.a. | Japan | 531-556 |
| Kuwait Dinar (KD) | 0.625-0.629 | 0.2680-0.2681 | Netherlands | 4.54-4.57 |
| Luxembourg Frc. | 66.70-66.80 | 28.61-28.63 | Norway | 11.36-11.46 |
| Malaysia Dollar | 5.0460-5.0550 | 2.1650-2.1680 | Portugal | 113-117 |
| New Zealand Dlr. | 2.5950-2.5880 | 1.0265-1.0273 | Spain | 168½-168 |
| Saudi Arab. Riyal | 7.72-7.78 | 3.3190-3.3210 | Sweden | 9.72-9.80 |
| Singapore Dollar | 4.9826-4.8925 | 2.1386-2.1413 | Switzerland | 3.86-3.88 |
| Sth. African Rand | 1.7825-1.7840 | 0.7640-0.7645 | United States | 2.3266-2.339 |
| U.A.E. Dirham | 8.58-8.64 | 3.6875-3.6890 | Yugoslavia | 63½-69½ |

Rate given for Argentina is free rate.

## U.K. CONVERTIBLE STOCKS 1/8/80

Statistics provided by dataSTREAM International

| Name and description | Size (£m) | Current price | Terms* | Conversion dates | Flat yield | Red. yield | Premium† Current | Premium† Range‡ | Income Equ.§ | Income Conv.¶ | Income Diff.◇ | Cheap(+) Dear(−)◇ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bank of Ireland 10pc Cv. 91-96 | 1.20 | 148.00 | 47.6 | 77-81 | 6.9 | 4.6 | −12.9 | −13 to −7 | 0.0 | 9.5 | 5.6 | +18.6 |
| British Land 12pc Cv. 2002 | 7.71 | 310.00 | 333.3 | 80-97 | 3.9 | 1.3 | −1.6 | −4 to 5 | 18.1 | 90.5 | 23.0 | +24.6 |
| Hanson Trust 6½pc Cv. 88-93 | 3.02 | 97.00 | 57.1 | 76-81 | 6.9 | 7.1 | −0.1 | −9 to −0 | 3.1 | 3.2 | 0.1 | +0.3 |
| Slough Estates 10pc Cv. 87-90 | 5.44 | 252.00 | 187.5 | 78-86 | 4.0 | | −4.7 | −5 to 2 | 36.4 | 40.2 | 1.4 | +6.1 |
| Slough Estates 8pc Cv. 91-94 | 24.88 | 125.00 | 78.0 | 80-91 | 6.4 | 5.1 | 13.7 | 14 to 22 | 26.6 | 48.2 | 19.7 | +6.0 |
| Ultramar 7pc net R.Cv.Pfd. | 1.18 | 3.55 | 1.1 | 76-81 | 2.8 | | −0.2 | −4 to 6 | 11.6 | 4.7 | −1.9 | −1.8 |
| Wilkinson Match 10pc Cv. 84-88 | 11.10 | 88.00 | 40.0 | 76-83 | 11.5 | 11.7 | 22.2 | 22 to 63 | 15.1 | 25.0 | 13.7 | −8.6 |

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◇ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

# Interest rate frustrations inhibit equity trade

# Gilts irregular with shorts down but longs steadier

**Account Dealing Dates**
**Options**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| July 14 | July 24 | July 25 | Aug. 4 |
| July 28 | Aug. 7 | Aug. 8 | Aug. 18 |
| Aug. 11 | Aug. 28 | Aug. 29 | Sept. 8 |

* "New time" dealings may take place from 9 am two business days earlier.

Frustrated by Thursday's decision to leave Minimum Lending Rate at 16 per cent despite mounting political pressures for a reduction, London stock markets closed the first leg of the trading Account on an indifferent note. Anticipating an extension of the previous day's late easier trend, dealers opened prices of leading equities lower to deter potential selling. In the event, very little pressure occurred and scattered buying developed.

Some optimists were looking for a cut in MLR next week, but yesterday they were in the minority. Business in top-name shares was thus inhibited and interest was mainly confined to special situations or stocks awaiting trading statements. Among the latter, **Taylor Woodrow** were outstanding, rising 12 more to 488p for a gain on the week of 35 ahead of Tuesday's half-yearly figures. The generally easier tone of equities, however, was reflected in a fall in the FT 30-share index of 2.4 to 487.9, virtually unchanged on the week.

Early caution was exercised in Government securities following initial selling of the current trading stocks. These lost ½ in places but the falls were recovered when the selling waned. Soon afterwards, all mediums and longs began to reclaim a little of the sharp losses sustained earlier in the week before the movement faded before the official close to leave small gains ranging from ⅛ to ¼.

For the shorts, there was no respite. The £350m call on Treasury 12¼ per cent 1985 A aggravated the existing acute shortage of funds and further selling met with little resistance. A subsequent attempted rally failed to hold and the session ended with some high-coupon shorts down by as much as ½. Contrasting firmness among low-coupon issues likewise faded and gains extending to ⅛ were generally surrendered as quotations reverted to overnight list levels or below.

Demand for Traded options fell away with only 391 deals arranged. The week's daily average amounted to 619; the lowest for over two months.

Marinex, which made a disappointing market debut last Monday, encountered fresh offerings and shed 3 more to 135p, which compares with the offer-for-sale price of 160p.

Little of interest took place in the banking sector. Still reflecting disappointment with the Government's decision to hold *MLR at 16 per cent, Hire Purchases* gave further ground. **F. C. Finance** dipped 3 more to 87p and **FNFC** 1¼ to 28½p. Discount Houses eased in places with **Cater Ryder**, 380p, and **Union**, 500p, down 5 apiece. With the exception of **Midland**, which improved a few pence to 335p, the major clearers held their overnight levels. **Barclays** closed at 390p; *the interim results are* due on August 21.

Movements in Insurances were against holders. **Commercial Union** gave up 4 to 144p as did **General Accident**, to 318p. **Christopher Moran** receded 2 to 21p; news of Mr. Christopher J. Moran's arrest and his subsequent suspension from all executive offices within the group came after market hours.

Breweries finished the first leg of the Account a shade easier for choice, although business was again negligible. **Belhaven**, however, continued to attract small support and gained a penny more to 28p. In Wines and Spirits, **Highland** eased the turn to 138p; the Secretary of Trade's decision over the contested offer from Hiram Walker is expected next Tuesday.

A few bright spots emerged in Buildings. Anticipating good first-half results on Tuesday, **Taylor Woodrow** rose 12 to 488p for a gain on the week of 35. **Higgs and Hill** put on 6 *to* 90p awaiting news of BICC's bid approach, while country builders **E. J. Riley** added 4 to 45p in a thin market. Still reflecting the company's stake in County and District, **Newarthill** firmed 5 to 308p for a gain on the week of 33. **Tilbury Contracting** also added 5, to 240p, while **SGB** improved 3 to 172p and **Fairclough Construction** hardened a penny to 68p; the last-named announces interim results towards the end of the month. In contrast, **British Dredging** shed a penny to 24p following the *stormy annual meeting*, while **UBM** eased 2 to 69p on small selling.

**ICI** held at 372p after a small two-way business, but **Fisons** cheapened 2 to 230p. Elsewhere, *Allied Colloids* firmed 3 to 106p.

## Stores quiet

Store majors again passed a quiet session and movements were usually restricted to a couple of pence either way. Elsewhere, **Dixons Photographic**, 95p, firmed 2 after comment on the preliminary statement, but recently firm **Lee Cooper** succumbed to profit-taking and declined 3 to 135p. Mail-orders also turned easier with **Empire** losing 6 at 168p and **Freemans (London SW9)** falling 4 to 124p. Interest was shown in **Wearwell**, 2½ better at 58½p, and in **Grant Bros.** 5 up at 118p, but **W. H. Smith** gave up 2 more to 149p.

Conditions in the Electrical *sector became much quieter* and the closing tone was mixed. Persistent small offerings in a thin market prompted a fall of 5 to 29p in **Fidelity Radio**, while **Farnell** came on offer at 353p, down 7. **Wholesale Fittings**, however, jumped 35 to 725p on buying ahead of next Friday's preliminary results. **Cray Electronics** hardened a penny to 38p in response to the increased annual earnings and **Dowding and Mills** revived with a rise of 3 at 34p. Of the leaders, **Thorn EMI** softened 2 to 342p and **Racal** eased 3 to 278p but **GEC** edged *forward a couple of pence* to 480p.

Engineerings displayed no set trend after a moderate business. **Mining Supplies** stood out with a rise of 6 to 140p on hopes of Brazilian orders for *mining* equipment. **Renold** rose 3 afresh to 77p on further consideration of the chairman's encouraging remarks on current-year trading at the AGM. **J. H. Dennis** were wanted again at 35p, up 3, but **Wellman** encountered profit-taking and, at 69p, lost the previous day's rise of 4 which followed news that Redman Heenan had sold its 28.9 per cent stake in the group. **Brasway** softened a penny to 40p following the results, while falls of 5 were seen in **Babcock International**, 90p, **Edbro**, 80p, and **Wolseley** *Hughes, 230p. Among the quietly* dull leaders, **Tubes** gave up 4 to 258p; the first-half results are due on Wednesday.

## Rockware down

Foods displayed no set trend following a slow trade. **Tesco** hardened 1½ to 58p and **Associated British** 2 to 107p. **Kwik Save** eased a couple of pence to 118p and **William Morrison** shed 3 to 158p, while **Robertson** gave up 3 to a 1980 low of 109p.

Among Hotels and Caterers, **Mount Charlotte** hardened ½ to 21p, the confident statement eclipsing the sharply lower half-year profits.

Interest in miscellaneous industrials was confined to selected secondary issues. **Rockware** fell 6 to 105p on the announcement that the group plans to severely reduce jobs at its glass factories due to falling sales. Nervous offerings ahead of Wednesday's interim results left **Hoover A S** down at 172p. **Royal Worcester** declined 11 to 315p on profit-taking but still held a rise of 22 on the week following increasing speculation concerning Rothschild's 26 per cent stake. *Watshams dipped* 5 to 330p in reaction to the disappointing results and **English China Clays** softened 2 to 107p.

**Continuous Stationery** jumped 6 to 44p on an investment recommendation and **Lep Group** advanced 18 more to 290p on further consideration of the profits and bumper dividend increase. Continuing to reflect its buoyant *international* sales figures for the year 1979-80, **Christies International** put on 4 more to 202p, while renewed speculative support in a thin market left **Huntleigh** 5 better at 114p. The narrowly mixed leaders had **Unilever** 6 off at 494p and **Turner and Newall** 3 easier at 122p, while **Glaxo** hardened 2 to 228p.

Recovery prospects and hopes of buoyant car sales for the new W registration lifted recently out-of-favour Motor Distributors. **Caffyns** featured, gaining 10 to 158p, while **Tate of Leeds**, 74p, and **Hartwells**, 65p, added 4 apiece. Press comment on the previous day's interim results helped **Lex Service**, 3 better at 82p, while similar rises were seen in **Arlington**, 83p, and **Kennings**, 70½p. *Speculative* attention was again directed towards **Henlys** which reached 98p before settling for a gain of 2 at 95p. Components also finished the week on a firm note. Hopes of large Brazilian mining equipment orders lifted **Dowty** 5 to 239p.

Thursday's unchanged MLR decision stifled interest in leading Properties. Small profit-taking clipped 4 from **Land Securities**, 368p, and 3 from **MEPC**, 230p. Selected secondary issues, however, attracted fresh support, **Regional A** firming 5 to 132p and **Marlborough** adding 3 to 43p. **Avenue Close** and **M. P. Kent** improved 2 apiece to 132p and 71p respectively, while **Westminster Property**, interim figures next Wednesday, added a penny to 37½p. **Anglo Metropolitan** formerly Bank and Commercial, held at 81p; the company has acquired an option to participate in Petrosearch International's proposed investment in the North Sea.

## Oils idle

Business in Oils was particularly slow, but small sellers appeared *in the after hours' dealings and* closing levels were usually the day's lowest. **Shell** finished 4 cheaper at 404p and **British Petroleum**, which had opened a couple of pence firmer at 350p, closed unchanged at 348p. Elsewhere, **Carless** gave up 3 to 144p, while **IC Gas** lost a couple of pence to 782p.

Shippings generally closed easier. ***Milford Docks*** fell 20 to 142p following the shareholders' rejection of boardroom changes for the second time this year. Support was also lacking for **Lyle**, 5 cheaper at 252p, but **British and Commonwealth** added that much for a rise on the week of 14 to 352p.

Interest in Textiles remained at a low ebb, although **Tern-Consulate**, *a dull market of late*, rallied 3 to 35p.

## Golds improve

Mining shares had another quiet day yesterday, with most of the interest centring on gold shares as bullion rallied $5 to $621.5 an ounce. The Gold Mines index put on 6 to 375.8, leaving a net fall on the week of 7.8.

South African Golds staged a broad rally led by **West Driefontein**, finally ½ better at £37¼, with **East Driefontein, Hartebeestfontein** and **Buffelsfontein** all up by ¼ to £10¾, £30 and £18¼ respectively.

*Stilfontein* advanced by 45 to 902p to lead the way among the lower-priced issues, followed by **Welkom**, up 24 to 816p, **Blyvoor**, 18 higher at 698p, **Doornfontein**, 13 better at 816p, and **Elandsrand** and **Unisel**, each 12 higher at 505p and 590p respectively.

Australian Gold shares failed to react to the renewed steadiness of the metal, and profit-taking cut **Gold Mines of Kalgoorlie** by 7 to 398p and **North Kalgurli** by 3 to 81p. **Poseidon** firmed 2 to 207p.

South African *Financials* were again very quiet. **"Johnnies,"** at £26½, **Anglo American**, at 675, and **De Beers**, at 420, were all unchanged. **"Amgold"** put on ½ to £40, while **Gold Fields of South Africa** declined ⅜ to £33 and **Gencor** lost 10 to 850p.

London Financials were also quiet and slight declines towards midday were offset by late rallies. **Consolidated Gold Fields** closed 2 better at 502p, after 505p. **Rio Tinto-Zinc** were finally up by the same amount to 465p and **"Tanks"** gained 2 to 320p.

Asarco's declaration of force majeure on copper deliveries helped to revive Coppers, where **Messina** were outstanding with a rise of 14 to 217p.

Platinums were also better, with **Impala** up 12 to 334p, **Rustenburg** 10 better at 245p and **Lydenburg** 5 higher at 159p.

Tins were again firmer, with good demand for the companies involved in the Malaysia Mining *Corporation* merger. Two companies not involved in the deal, **Pahang Consolidated** and **Tanjong**, extended their 1980 highs, **Pahang** by 3 to 42p and **Tanjong** by 2 to 110p.

## OPTIONS

| First Dealing | Last Dealing | Last Declaration | For Settlement |
|---|---|---|---|
| Aug. 4 | Aug. 15 | Nov. 6 | Nov. 17 |
| Aug. 18 | Aug. 29 | Nov. 20 | Dec. 1 |
| Sept. 8 | Sept. 19 | Dec. 4 | Dec. 15 |

*For rate indications see end of Share Information Service*

Calls were arranged in **Britannia Arrow, Premier Oil, BSG, Higgs and Hill, Lonrho, Tebbitt,** *FNFC*, **Wolverhampton Steam Laundry, Aerow A, Queens Moat Houses, Turner and Newall, Law Land, Cons. Gold Fields, Samuel Properties, Spirax Sarco, British Land, Vickers, UDT** and **Coral Leisure**. Puts were done in **Trusthouse Forte, Charles Clifford** and **Associated Dairies**, while double options were completed in **Higgs and Hill, Town and City Properties, FNFC** and **Plessey**.

## NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

### NEW HIGHS (54)

AMERICANS (5)
Bethlehem Steel, Hutton, Eaton Corp., U.S. Steel, Esmark

CANADIANS (4)
Bank of Montreal, Royal Bk. Canada, Bk. of Nova Scotia, Toronto Dom. Bank

BANKS (1)
Standard Chartered

BUILDINGS (4)
Newarthill, Taylor Woodrow, Tarmac, Tilbury Contracting

STORES (1)
Fine Art Devlpts

ELECTRICALS (2)
Quest Automation, Wholesale Fittings

ENGINEERING (2)
And'son Strathclyde, Spirax-Sarco

INDUSTRIALS (11)
Continuous Station'y, Russell (A.), Crean (J.), Security Services, Dover Corp., Do. A N-V, Huntleigh, Smith & Nephew, Leo Group, Unicorn Inds., Office & Electronic

INSURANCE (1)
Marsh & McLennan

LEISURE (1)
Assoc. Leisure

MOTORS (1)
Kwik-Fit Hldgs.

PAPER (2)
Cropper (J.), Waddingtons (J.)

PROPERTY (6)
Land Secs. 5½pc Conv. 1985, Utd Real Prop., Marlborough, Warner Estate, Swire Props., Westminster Country

TRUSTS (5)
Crossfriars, Kellock, G.T. Japan, Do. Conv. Pref., Gresham House

MINES (8)
Killinghall, Nickelore, F.S. Saaiplaas, Pahang, Patino, Tanjong, Bond Corp., Colby Res. Corp.

### NEW LOWS (16)

STORES (1)
Helene of London

ELECTRICALS (1)
Wigfall (H.)

ENGINEERING (2)
Barton & Sons, Wolseley Hughes

FOODS (1)
Robertson Foods

INDUSTRIALS (5)
Armour Trust, P.M.A. (Hldgs.), Dom Hldgs, Utd. Guarantee, Monument

INSURANCE (1)
Moran (C.)

LEISURE (1)
Westward TV

TEXTILES (1)
Leeds & Dist. Dyers

TRUSTS (1)
Yule Catto

OIL & GAS (1)
Sun (UK) Royalty

RUBBERS (1)
Anglo-Indonesian

## RISES AND FALLS

| | Yesterday Up | Yesterday Down | Yesterday Same | On the week Up | On the week Down | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 36 | 33 | 25 | 113 | 289 | 65 |
| *Corpns. Dom. & Foreign Bonds* | 1 | 35 | 30 | 75 | 103 | 271 |
| Industrials | 179 | 254 | 961 | 1,156 | 991 | 4,826 |
| Financial and Property | 59 | 122 | 315 | 548 | 511 | 1,421 |
| Oils | 9 | 19 | 28 | 71 | 58 | 111 |
| Plantations | 1 | 10 | 14 | 19 | 25 | 81 |
| Mines | 61 | 27 | 71 | 227 | 245 | 323 |
| Others | 42 | 28 | 100 | 288 | 168 | 391 |
| Totals | 388 | 528 | 1,544 | 2,438 | 2,430 | 7,429 |

## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid Up | Latest Renunc. Date | 1980 High | 1980 Low | Stock | Closing Price p | + or − | Div. Amount | Times Covered | Gross Yield | P.E. Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 138½ | F.P. | — | 100 | 80 | Energy Capital (12½p) | 92 | ...... | — | — | — | — |
| — | F.P. | — | 368 | 330 | Gotaas-Larsen | 355 | −5 | — | — | — | — |
| ¶¶ | F.P. | — | 357 | 215 | ††Hall Bros. | 350 | ...... | — | — | — | — |
| 55 | F.P. | — | 90 | 74 | Nome Farm Prods 10p | 90 | ...... | b2.9 | 2.5 | 4.6 | 12.3 |
| 160 | F.P. | — | 153 | 136 | ††Marinex 10p | 135 | −3 | — | — | — | — |
| 100 | F.P. | — | 110 | 91 | Peerless | 91 | ...... | b6.3 | 2.8 | 9.9 | 4.5 |
| §61 | F.P. | — | 78 | 67 | ††Rolfe & Nolan 10p | 72 | ...... | t1.0 | 3.5 | 2.0 | 2.3 |
| §80 | F.P. | — | 112 | 98 | ††S.P.O. Minerals 10p | 98 | −1 | — | — | — | — |
| §57 | F.P. | — | 85 | 73 | Utd. Electronic 20p | 78 | −1 | b1.57 | 8.8 | 2.9 | 22.3 |

### FIXED INTEREST STOCKS

| Issue Price £ | Amount Paid Up | Latest Renunc. Date | 1980 High | 1980 Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| 11 | F.P. | 23/7 | 120 | 109½ | British Home Stores 9% Cnv. Ln. '92 | 180 | ...... |
| 100 | F.P. | — | 100½ | 99 | Daiei 8½% Conv. Bds. due 1995 | 108 | ...... |
| 98 | £20 | — | 18¾ | 18⅝ | Denmark 13% 2005 | 18¾ | +¼ |
| ¶¶ | F.P. | — | 69 | 63½ | London & Midland Indo 8½ pc Deb. '89-94 | 69 | ...... |
| ** | F.P. | — | 102 | 101 | Outwich 10% Pref. | 101 | ...... |
| ¶ | F.P. | 8/8 | 105½ | 101½ | South Staff. Water 9¼% Rd. Pf. '85 | 106½ | ...... |
| ¶ | F.P. | 29/8 | 104 | 103¼ | Sunderl'd & S.Shields Wtr 9¼% Rd. Prf. 1985 | 104 | ...... |

### "RIGHTS" OFFERS

[illegible]

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Fri., Aug. 1, 1980 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Thur., July 31 Index No. | Wed., July 30 Index No. | Tues., July 29 Index No. | Mon., July 28 Index No. | Year ago (approx.) Index No. | 1980 High | 1980 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (172) | 282.04 | −0.1 | 16.40 | 5.82 | 7.37 | 282.19 | 282.42 | 280.92 | 277.70 | 235.38 | 286.96 (18/7) | 208.87 (3/1) | 287.87 (4/5/79) | 50.71 (13/12/74) |
| 2 | Building Materials (28) | 264.83 | −0.6 | 17.42 | 6.33 | 6.75 | 266.33 | 264.80 | 264.51 | 262.69 | 220.12 | 268.14 (21/7) | 194.00 (3/1) | 270.52 (8/5/79) | 44.27 (11/12/74) |
| 3 | Contracting, Construction (27) | 423.46 | +0.5 | 21.71 | 5.74 | 5.49 | 421.39 | 422.50 | 417.70 | 415.40 | 350.03 | 423.81 (21/7) | 313.00 (3/1) | 451.74 (4/5/79) | 71.48 (2/12/74) |
| 4 | Electricals (16) | 806.27 | +0.3 | 12.19 | 3.27 | 10.17 | 803.70 | 810.83 | 803.55 | 790.05 | 579.94 | 818.00 (18/7) | 539.56 (2/1) | 818.00 (18/7/80) | 84.71 (25/6/62) |
| 5 | Engineering Contractors (11) | 336.67 | +0.1 | 20.17 | 7.74 | 6.22 | 336.50 | 335.10 | 332.76 | 329.95 | 362.03 | 337.53 (21/7) | 264.74 (30/5) | 429.70 (4/5/79) | 64.39 (2/1/75) |
| 6 | Mechanical Engineering (74) | 182.77 | −0.2 | 17.36 | 7.26 | 7.01 | 183.10 | 182.09 | 181.68 | 179.51 | 171.43 | 190.20 (18/7) | 146.46 (3/1) | 211.08 (8/5/79) | 45.43 (6/1/75) |
| 8 | Metals and Metal Forming (16) | 171.20 | −0.6 | 21.17 | 9.91 | 5.64 | 172.16 | 172.22 | 171.85 | 170.74 | 157.21 | 173.09 (18/7) | 141.95 (2/1) | 192.29 (4/5/79) | 49.65 (6/1/75) |
| 11 | CONSUMER GOODS (DURABLE) (49) | 236.82 | −0.4 | 14.02 | 5.52 | 8.57 | 237.88 | 237.37 | 233.70 | 228.91 | 223.29 | 237.90 (21/7) | 184.82 (3/1) | 259.88 (8/5/79) | 38.39 (6/1/75) |
| 12 | Lt. Electronics, Radio, TV (14) | 353.54 | −0.7 | 10.86 | 3.99 | 11.30 | 356.14 | 356.09 | 349.64 | 340.76 | 311.52 | 357.21 (21/7) | 247.36 (3/1) | 358.49 (11/9/79) | 42.85 (13/12/74) |
| 13 | Household Goods (14) | 99.04 | −1.0 | 24.47 | 10.66 | 5.16 | 100.06 | 100.21 | 99.41 | 97.39 | 148.16 | 116.40 (1/1) | 93.32 (9/6) | 263.22 (4/5/72) | 63.92 (17/12/74) |
| 14 | Motors and Distributors (21) | 105.38 | +0.6 | 22.02 | 9.38 | 5.24 | 104.77 | 103.77 | 102.90 | 102.42 | 109.73 | 115.86 (29/1) | 94.70 (4/6) | 170.59 (15/1/69) | 19.91 (6/1/75) |
| 21 | CONSUMER GOODS (NON DURABLES) (172) | 235.92 | −0.3 | 17.56 | 6.85 | 6.89 | 236.58 | 235.88 | 234.87 | 233.31 | 232.11 | 240.12 (8/7) | 200.15 (3/1) | 269.81 (4/5/79) | 61.41 (13/12/74) |
| 22 | Breweries (14) | 284.06 | −0.3 | 15.97 | 6.48 | 7.31 | 284.95 | 286.31 | 285.07 | 284.22 | 277.39 | 306.45 (8/7) | 248.93 (3/1) | 306.45 (8/7/80) | 69.47 (13/12/74) |
| 23 | Wines and Spirits (5) | 320.72 | −0.1 | 18.91 | 6.35 | 6.22 | 320.95 | 321.35 | 319.87 | 317.60 | 326.34 | 322.92 (8/7) | 278.92 (2/6) | 352.29 (29/3/79) | 78.88 (13/12/74) |
| 24 | Entertainment, Catering (17) | 333.68 | −0.3 | 17.30 | 6.70 | 7.17 | 334.71 | 333.93 | 335.05 | 334.37 | 301.70 | 349.80 (7/7) | 268.87 (3/1) | 374.32 (3/5/79) | 54.83 (9/1/75) |
| 25 | Food Manufacturers (21) | 213.84 | −0.2 | 19.01 | 7.02 | 6.18 | 214.25 | 213.33 | 212.77 | 212.21 | 198.87 | 219.08 (16/7) | 183.95 (28/3) | 236.75 (4/5/79) | 59.67 (11/12/74) |
| 26 | Food Retailing (13) | 352.82 | +0.2 | 11.96 | 4.51 | 9.98 | 352.01 | 352.96 | 349.09 | 346.27 | 301.42 | 352.96 (30/7) | 286.28 (3/1) | 352.96 (30/7/80) | 54.25 (11/12/74) |
| 32 | Newspapers, Publishing (13) | 439.17 | −0.8 | 21.74 | 6.66 | 6.21 | 442.53 | 441.71 | 439.56 | 434.40 | 397.20 | 455.30 (14/2) | 378.52 (3/1) | 492.56 (8/5/79) | 55.08 (6/1/75) |
| 33 | Packaging and Paper (15) | 133.22 | −0.6 | 26.82 | 9.83 | 4.33 | 134.04 | 132.06 | 133.83 | 132.07 | 122.41 | 148.51 (21/7) | 111.30 (3/1) | 155.65 (14/9/78) | 43.46 (6/1/75) |
| 34 | Stores (45) | 232.21 | −0.4 | 13.57 | 5.42 | 9.61 | [illegible] | 231.50 | 228.87 | 226.30 | 238.79 | 233.21 (31/7) | 188.71 (3/1) | 273.48 (4/5/79) | 52.63 (6/1/75) |
| 35 | Textiles (21) | 125.57 | — | 26.18 | 12.58 | 4.65 | [illegible] | 125.08 | 125.79 | 125.78 | 151.04 | 140.52 (14/7) | 116.89 (6/6) | 235.72 (17/1/67) | 62.66 (11/12/74) |
| 36 | Tobaccos (3) | 223.88 | −0.2 | 25.63 | 10.40 | 4.44 | 224.36 | 225.35 | 225.85 | 224.87 | 237.64 | 239.09 (8/7) | 192.86 (3/1) | 339.16 (2/8/72) | 94.34 (13/6/62) |
| 37 | Toys and Games (5) | 26.67 | +0.6 | 8.43 | 14.29 | 27.43 | 26.53 | 27.06 | 26.53 | 26.16 | 69.07 | 47.59 (1/1) | 25.08 (16/6) | 135.72 (16/1/70) | 20.92 (6/1/75) |
| 41 | OTHER GROUPS (99) | 226.83 | −0.3 | 16.22 | 6.83 | 7.33 | 227.46 | 227.49 | 226.89 | 225.96 | 193.35 | 230.85 (21/7) | 184.19 (3/1) | 234.76 (8/5/79) | 58.63 (6/1/75) |
| 42 | Chemicals (16) | 316.11 | — | 19.63 | 7.62 | 5.84 | 316.09 | 317.29 | 316.05 | 315.48 | 267.86 | 326.53 (7/7) | 276.80 (3/1) | 329.77 (4/5/79) | 71.20 (1/12/74) |
| 43 | Pharmaceutical Products (7) | 227.60 | — | 11.12 | 6.08 | 11.12 | 227.66 | 227.46 | 228.75 | 229.09 | 211.53 | 241.07 (7/7) | 175.38 (28/5) | 291.13 (14/9/78) | 175.38 (28/5/80) |
| 44 | Office Equipment (6) | 107.03 | — | 18.92 | 7.75 | 6.17 | 106.97 | 106.20 | 104.65 | 104.04 | 116.58 | 123.10 (14/2) | 98.57 (2/6) | 246.06 (1/9/72) | 45.34 (2/1/75) |
| 45 | Shipping (10) | 593.16 | −0.3 | 12.94 | 5.95 | 9.42 | 594.16 | 596.55 | 597.70 | 590.12 | 439.80 | 610.62 (16/7) | 411.53 (10/1) | 610.62 (16/7/80) | 90.80 (29/6/62) |
| 46 | Miscellaneous (60) | 285.90 | −0.7 | 15.66 | 6.47 | 7.83 | 287.99 | 287.32 | 286.02 | 284.01 | 230.73 | 287.99 (31/7) | 211.86 (3/1) | 287.99 (31/7/80) | 60.39 (6/7/75) |
| 49 | INDUSTRIAL GROUP (492) | 252.97 | −0.2 | 16.68 | 6.47 | 7.22 | 253.56 | 253.26 | 252.00 | 249.90 | 229.82 | 256.86 (21/7) | 203.76 (3/1) | 273.01 (4/5/79) | 59.01 (13/12/74) |
| 51 | Oils (8) | 782.10 | −0.4 | 29.41 | 6.57 | 3.75 | 785.32 | 789.94 | 791.75 | 788.58 | 646.46 | 840.16 (5/3) | 668.86 (8/1) | 840.16 (5/3/80) | 87.23 (29/5/62) |
| 59 | 500 SHARE INDEX | 295.01 | −0.3 | 19.23 | 6.49 | 6.09 | 295.80 | 295.87 | 294.83 | 292.63 | 263.41 | 301.00 (21/7) | 241.13 (3/1) | 308.20 (4/5/79) | 63.49 (13/12/74) |
| 61 | FINANCIAL GROUP (118) | 230.11 | −0.3 | — | 5.55 | — | 230.75 | 231.92 | 231.18 | 228.96 | 184.74 | 236.07 (21/7) | 175.85 (3/1) | 241.41 (11/4/72) | 55.88 (13/12/74) |
| 62 | Banks (6) | 225.60 | +0.2 | 44.86 | 7.45 | 2.65 | 225.26 | 225.72 | 225.40 | 224.70 | 218.17 | 247.68 (16/7) | 201.01 (8/4) | 288.32 (20/7/72) | 62.44 (12/12/74) |
| 63 | Discount Houses (10) | 297.11 | −0.4 | — | 5.97 | — | 298.25 | 300.06 | 302.31 | 298.41 | 254.01 | 303.18 (23/7) | 206.50 (18/3) | 303.18 (23/7/80) | 81.40 (10/12/74) |
| 64 | Hire Purchase (5) | 246.65 | +0.7 | 12.56 | 4.06 | 10.38 | 244.97 | 249.32 | 249.22 | 247.79 | 158.77 | 253.41 (24/7) | 160.72 (3/1) | 433.74 (4/5/72) | 38.83 (11/12/74) |
| 65 | Insurance (Life) (10) | 229.29 | −0.1 | — | 5.55 | — | 229.49 | 230.84 | 231.11 | 229.67 | 148.31 | 236.34 (21/7) | 151.80 (3/1) | 236.34 (21/7/80) | 44.88 (2/1/75) |
| 66 | Insurance (Composite) (9) | 154.61 | −0.7 | — | 6.96 | — | 155.76 | 157.62 | 156.92 | 154.35 | 122.42 | 159.01 (21/7) | 117.05 (3/1) | 161.72 (6/10/77) | 43.96 (13/12/74) |
| 67 | Insurance Brokers (9) | 337.62 | −0.4 | 13.76 | 6.83 | 9.98 | 338.84 | 340.25 | 336.67 | 332.72 | 250.04 | 349.01 (21/7) | 256.48 (3/1) | 372.27 (11/8/78) | 65.86 (16/12/74) |
| 68 | Merchant Banks (12) | 141.15 | — | — | 5.03 | — | 141.22 | 141.37 | 141.69 | 141.20 | 95.05 | 141.69 (29/7) | 87.47 (3/1) | 278.57 (1/5/72) | 31.21 (7/1/75) |
| 69 | Property (45) | 441.71 | −0.7 | 3.23 | 2.66 | 43.00 | 444.61 | 445.62 | 442.08 | 435.70 | 349.31 | 445.62 (30/7) | 304.20 (3/1) | 445.62 (30/7/80) | 56.01 (20/4/65) |
| 70 | Miscellaneous (12) | 141.27 | +0.5 | 14.64 | 6.21 | 8.68 | 140.53 | 140.84 | 141.59 | 141.69 | 113.96 | 143.55 (18/7) | 119.62 (3/1) | 303.18 (18/5/72) | 33.29 (17/12/74) |
| 71 | Investment Trusts (109) | 258.54 | −0.4 | — | 5.51 | — | 259.70 | 259.25 | 258.65 | 258.75 | 202.22 | 269.39 (21/7) | 188.97 (3/1) | 269.39 (21/7/80) | 71.63 (13/12/74) |
| 81 | Mining Finance (4) | 237.71 | +0.3 | 11.35 | 4.15 | 10.62 | 236.96 | 237.47 | 241.47 | 241.47 | 117.56 | 248.25 (21/7) | 161.95 (1/1) | 248.25 (21/7/80) | 66.31 (30/9/74) |
| 91 | Overseas Traders (19) | 417.99 | +0.3 | 12.03 | 7.09 | 10.02 | 416.71 | 414.60 | 411.49 | 413.63 | 327.88 | 437.34 (13/2) | 330.03 (3/1) | 437.34 (13/2/80) | 97.37 (6/1/75) |
| 99 | ALL-SHARE INDEX (750) | 281.59 | −0.2 | — | 6.20 | — | 282.29 | 282.56 | 281.76 | 279.82 | 240.68 | 288.10 (21/7) | 225.06 (3/1) | 288.10 (21/7/80) | 61.92 (13/12/74) |

### FIXED INTEREST PRICE INDICES

| | British Government | Fri., Aug. 1 | Day's change % | xd adj. today | xd adj. 1980 to date |
|---|---|---|---|---|---|
| 1 | Under 5 years | 105.94 | −0.16 | — | 6.05 |
| 2 | 5-15 years | 112.62 | +0.08 | — | 8.31 |
| 3 | Over 15 years | 119.89 | +0.06 | — | 7.26 |
| 4 | Irredeemables | 132.73 | +0.02 | — | 7.24 |
| 5 | All stocks | 112.59 | −0.01 | — | 7.21 |

| | FIXED INTEREST YIELDS British Govt. Av. Gross Red. | | Fri., Aug. 1 | Thur., July 31 | Year ago (approx.) | 1980 Highs | 1980 Lows |
|---|---|---|---|---|---|---|---|
| 1 | Low Coupons | 5 years | 11.69 | 11.67 | 10.26 | 13.32 (4/3) | 11.17 (21/7) |
| 2 | | 15 years | 11.63 | 11.62 | 10.78 | 13.12 (4/3) | 11.11 (21/7) |
| 3 | | 25 years | 11.63 | 11.62 | 11.14 | 13.12 (4/3) | 11.11 (21/7) |
| 4 | Medium Coupons | 5 years | 13.13 | 13.06 | 12.26 | 15.37 (4/3) | 12.45 (21/7) |
| 5 | | 15 years | 12.96 | 12.94 | 12.24 | 14.71 (4/3) | 12.40 (21/7) |
| 6 | | 25 years | 12.83 | 12.84 | 12.22 | 14.50 (4/3) | 12.35 (23/7) |
| 7 | High Coupons | 5 years | 13.29 | 13.19 | 12.46 | 15.44 (4/3) | 12.71 (21/7) |
| 8 | | 15 years | 13.31 | 13.30 | 12.59 | 15.03 (4/3) | 12.68 (21/7) |
| 9 | | 25 years | 13.09 | 13.09 | 12.56 | 14.92 (4/3) | 12.63 (21/7) |
| 10 | Irredeemables | | 11.14 | 11.13 | 10.68 | 12.53 (21/3) | 10.90 (21/7) |

| | | Fri. Aug 1 Index No. | Yield % | Thur. July 31 | Wed. July 30 | Tues. July 29 | Mon. July 28 | Fri. July 25 | Thur. July 24 | Wed. July 23 | Year ago (approx.) | 1980 Highs | 1980 Lows | Since Compilation Highs | Since Compilation Lows |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 20-yr. Red. Deb. & Loans (15) | [illegible] | | | | | | | | | | | | | |
| 16 | Investment Trust Prefs. (15) | [illegible] | | | | | | | | | | | | | |
| 17 | Coml. and Indl. Prefs. (20) | [illegible] | | | | | | | | | | | | | |

[illegible]

## FINANCIAL TIMES STOCK INDICES

| | Aug. 1 | July 31 | July 30 | July 29 | July 28 | July 25 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 70.78 | 70.78 | 71.43 | 71.81 | 72.26 | 72.16 | 72.79 |
| Fixed Interest | 72.61 | 72.81 | 73.36 | 73.37 | 73.63 | 74.07 | 73.71 |
| Industrial | 487.9 | 490.3 | 488.7 | 489.7 | 485.9 | 487.3 | 457.6 |
| Gold Mines | 375.8 | 369.8 | 376.7 | 383.8 | 378.1 | 383.6 | 146.7 |
| Ord. Div. Yield | 7.44 | 7.41 | 7.42 | 7.41 | 7.49 | 7.46 | 7.02 |
| Earnings, Yld. % (full) | 17.82 | 17.76 | 17.78 | 17.76 | 17.94 | 18.09 | 17.90 |
| P/E Ratio (net) (*) | 6.76 | 6.79 | 6.78 | 6.79 | 6.78 | 6.66 | 7.06 |
| Total Bargains | 18,614 | 19,916 | 19,656 | 20,026 | 20,710 | 23,698 | — |
| Equity turnover £m. | — | 101.50 | 112.56 | 102.86 | 95.17 | 141.13 | 62.98 |
| Equity bargains total | — | 13,848 | 13,559 | 14,907 | 16,052 | 17,758 | 9,419 |

10 am 487.3. 11 am 486.5. Noon 487.0. 1 pm 487.1. 2 pm 487.4. 3 pm 487.6.

Latest Index 01-246 8026.

*Nil=6.31.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

### HIGHS AND LOWS

| | 1980 High | 1980 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt Secs. | 79.54 (21/7) | 63.85 (7/3) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 74.08 (24/7) | 64.70 (10/3) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 503.1 (16/7) | 406.9 (3/1) | 558.6 (4/5/79) | 49.4 (26/6/40) |
| Gold Mines | 383.8 (29/7) | 255.5 (16/3) | 442.3 (22/5/75) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| | Aug. 1 | July 31 |
|---|---|---|
| —Daily | | |
| Gilt Edged | 117.4 | 115.2 |
| Industrials | 100.7 | 109.1 |
| Speculative | 29.5 | 33.3 |
| Totals | 68.8 | 76.6 |
| 5-day Avrge. | | |
| Gilt Edged | 182.1 | 119.4 |
| Industrials | 103.2 | 104.8 |
| Speculative | 34.2 | 36.5 |
| Totals | 74.4 | 75.9 |

## UNIT TRUST SERVICE

### OFFSHORE & OVERSEAS—contd.

[illegible]

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

**Abbey Unit Tst. Mngrs. (a)**
72-80, Gatehouse Rd., Aylesbury. 0296 5941

| | | | | |
|---|---|---|---|---|
| Abbey Amer. Gth. Tst. | 51.8 | 55.7 | +0.1 | 2.40 |
| Abbey Capital | 40.6 | 43.9 | -0.3 | 3.58 |
| Abbey General | 51.5 | 55.6 | -0.4 | 5.62 |
| Abbey Gilt & F.I. Tst. | 112.9 | 118.8 | -0.5 | 11.52 |
| Abbey Income | 34.8 | 37.6 | -0.2 | 9.20 |
| Abbey W'Wide Bd Tst. | 93.6 | 99.0 | -0.2 | 6.77 |
| Abbey Inv. Tst. Fnd. | 44.1 | 47.6 | ..... | 5.38 |
| Equitas Prog. Trust | 77.4 | 83.7 | -0.5 | 5.15 |

**Allen Harvey & Ross Unit Tst. Mngrs.**
45, Cornhill, London EC3V 3PB. 01-623 6314.

| | | | | |
|---|---|---|---|---|
| AHR Gilt & Pref. | [illegible] | 98.2 | ..... | 12.50 |

**Allied Hambro Ltd. (a) (b)**
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

| | | | | |
|---|---|---|---|---|
| **Balanced Funds** | | | | |
| Allied 1st | 85.0 | 91.0 | -0.5 | 5.82 |
| Brit. Inds. Fund | 74.8 | 80.0 | -0.4 | 6.50 |
| Growth & Income | 45.6 | 48.8 | -0.3 | 5.70 |
| Elect. & Ind. Dev. | 42.1 | 45.0 | -0.3 | 5.44 |
| Allied Capital | 88.3 | 94.5 | -0.5 | 4.71 |
| Hambro Fund | 128.1 | 137.1 | -0.5 | 6.32 |
| Hambro Acc. Fund | 161.5 | 172.8 | -1.3 | 5.21 |
| **Income Funds** | | | | |
| High Yield Fd. | 67.6 | 72.3 | -0.1 | 9.89 |
| High Income | 75.8 | 81.1 | -0.4 | 7.97 |
| A.H. Eq. Inc. | 43.2 | 46.2 | -0.2 | 7.86 |
| Govt. Secs. | 26.2 | 26.9 | -0.1 | 8.36 |
| **International Funds** | | | | |
| International | 31.0 | 33.2 | -0.1 | 3.25 |
| Pacific Fund | 51.3 | 54.9 | -0.2 | 2.24 |
| Secs. Of America | 62.7 | 67.1 | ..... | 2.68 |
| **Specialist Funds** | | | | |
| Smaller Co.'s Fd. | 51.1 | 54.7 | +0.1 | 4.66 |
| 2nd Smlr. Co's Fd. | 59.9 | 64.1 | +0.1 | 4.68 |
| Recovery Sits. | 125.5 | 134.3 | -0.5 | 6.22 |

**Confederation Funds Mgt. Ltd. (a)**
50, Chancery Lane, WC2A 1HE. 01-242 0282

| | | | | |
|---|---|---|---|---|
| Growth Fund | 66.3 | 69.7 | ..... | 4.19 |

For Cosmopolitan see Chieftain Fund Managers.

**Craigmount Unit Tst. Mgrs. Ltd.**
40 Bucklersbury, London EC4N 8BO. 01-248 4984

| | | | | |
|---|---|---|---|---|
| High Income | 38.1 | 41.6 | ..... | 10.89 |
| North American | 51.6 | 55.7 | +0.2 | 3.07 |
| Canadian Exempt* | 61.4 | 64.9 | ..... | 3.66 |
| Canadian Trust | 59.5 | 64.3 | +1.1 | 2.80 |
| Mid Mount High Inc.* | 50.9 | 53.7 | ..... | 8.98 |
| Recovery | 57.9 | 63.1 | -0.5 | 6.85 |
| Gilt Trust | 44.5 | 46.5 | -1.6 | 10.82 |

*Weekly dealing day Wednesday.

**Crescent Unit Tst. Mngrs. Ltd. (a)(g)**
4 Melville Cres., Edinburgh 3 031-226 4931

| | | | | |
|---|---|---|---|---|
| Cres. Amer. Fd. | 31.0 | 33.4 | ..... | 1.12 |
| Cres. Internat'l. | 64.8 | 69.9 | ..... | 2.50 |
| Cres. High. Dist. | 42.0 | 45.3 | -0.2 | 10.76 |
| Cres. Reserves | 47.6 | 51.4 | -1.5 | 5.84 |
| Cres. Tokyo | 20.3 | 21.9 | ..... | 1.00 |

**Dartington Unit Trust Mngt. Ltd.**
Bridge Chambers, Barnstaple, Devon 0271 76324

| | | | | |
|---|---|---|---|---|
| Total Perf. Unit Tst. | 23.8 | 25.2 | ..... | 12.4 |

**Discretionary Unit Fund Managers**
Bilbao Hse. 36/38 New Broad St., EC2M 1NU. 01-638 4485

| | | | | |
|---|---|---|---|---|
| Disc. Inc. July 25 | 222.4 | 237.2 | ..... | 5.41 |

**E. F. Winchester Fund Mngt. Ltd.**
44, Bloomsbury Square, WC1A 2RA 01-623 8893

| | | | | |
|---|---|---|---|---|
| Great Winchester | 17.3 | 19.1 | ..... | 7.48 |
| Gt. Winchester O'seas | 22.6 | 24.9 | ..... | 4.42 |

**Emson & Dudley Tst. Mngmnt. Ltd.**
28b Albemarle St., W1. 01-493 3211

| | | | | |
|---|---|---|---|---|
| Emson Dudley Tst. | 80.9 | 87.0 | ..... | 6.00 |

**Equity & Law Un. Tr. M.♥ (a)(b)(c)**
Amersham Rd., High Wycombe. 0494 33377

| | | | | |
|---|---|---|---|---|
| Equity & Law | 83.2 | 87.5 | -0.6 | 4.86 |

**Fidelity International Management Ltd.**
62-63, Queen St., London, EC4R 1AD. 01-248 4891

| | | | | |
|---|---|---|---|---|
| American | 26.8 | 28.9 | +0.2 | 1.16 |
| Fixed Interest | 25.5 | 26.9 | -0.1 | 12.32 |
| Growth + Income | 31.4 | 33.8 | ..... | 7.29 |
| Special Sits. | 33.7 | 36.3 | -0.2 | 2.02 |

**M & G Group**
Three Quays, Tower Hill, EC3R 6BQ.

**ManuLife Management Ltd.**
St. George's Way, Stevenage.

## INSURANCE PROPERTY BONDS

## OFFSHORE & OVERSEAS FUNDS

**Albany Fund Management Limited**

Continued on previous page.

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

| 1980 High | 1980 Low | Stock | Price £ | + or – | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 100⅛ | 99⅜ | Exchequer 13pc 1980‡‡ | 99⅜ | –⅛ | 13.10 | 15.19 |
| 99⅜ | 96¼ | Treasury 11½pc 1981‡‡ | 98[illegible] | –¼ | 11.65 | 14.41 |
| 95¾ | 90¼ | Treasury 3½pc 1979-81 | 95[illegible] | –⅛ | 3.67 | 12.47 |
| 97⅞ | 93⅝ | Treasury 9¾pc 1981‡‡ | 97⅞ | –⅛ | 10.01 | 13.92 |
| 96¾ | 91¼ | Exch. 8¼pc 1981 | 95[illegible] | –⅛ | 8.62 | 13.67 |
| 96[illegible] | 92¼ | Exch. 9½pc 1981 | 96[illegible] | –⅛ | 9.85 | 13.49 |
| 92⅞ | 85½ | Exch. 3pc 1981 | 92¼xd | +¼ | 3.23 | 10.51 |

Five to Fifteen Years

Over Fifteen Years

Undated

## INTERNATIONAL BANK

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

## LOANS

Public Board and Ind.

Financial

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## AMERICANS

## CANADIANS

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## ELECTRICALS—Continued

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## FOOD, GROCERIES, ETC.

## FOOD, GROCERIES—Cont.

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### O.F.S.

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### Central African



## MINES—Continued

### Australian

### Tins

### Copper

### Miscellaneous

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 180 | 78½ | Anglo-Dominion | 150 | ...... | — | — | — |
| 97 | 52 | Barymin | 60 | ...... | — | — | — |
| 17 | 12 | Burma Mines 10p | 14 | ...... | 0.62 | 1.1 | 6.4 |
| 146 | 53 | Colby Res. Corp. | 140 | ...... | — | — | — |
| 502 | 290 | Cons. Murch. 10c. | 310 | ...... | hQ100c | 1.8 | 18.5 |
| 180 | 105 | ††Hemerdon 10c. | 105 | ...... | — | — | — |
| 585 | 325 | Northgate C$1 | 380 | ...... | — | — | — |
| 485 | 327 | R.T.Z. | 465 | +2 | 15.0 | 3.2 | 4.6 |
| 33 | 16 | Robert Mines | 25 | ...... | — | — | — |
| 58 | 26 | Sabina Inds. C$1. | 29 | ...... | — | — | — |
| 51 | 40 | ††SWCM 10p | 41 | -1 | — | — | — |
| 650 | 411 | Tara Expln. $1 | 460 | ...... | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| | | | | | |
|---|---|---|---|---|---|
| Albany Inv. 20p | 32 | ...... | **IRISH** | | |
| Bertam | 16 | ...... | Conv. 9% '80/82 | £92 | ...... |
| Bdg'wtr. Est. 50p | 440 | -5 | Nat. 9¾% 84/89 | £80 | -¼ |
| Clover Croft | 60 | ...... | Fin. 13% 97/02 | £95 | -¼ |
| Craig & Rose £1 | £11 | ...... | Alliance Gas | 48 | ...... |
| Fife Forge | 32½ | ...... | Arnott | 200 | ...... |
| Finlay Pkg. 5p | 17 | -2 | Carroll (P.J.) | 63 | ...... |
| Graig Ship. £1 | £14xd | -½ | Clondalkin | 123 | ...... |
| Higsons Brew | 72 | ...... | Concrete Prods. | 73 | -2 |
| Holt (Jos) 25p | 250 | ...... | Helton (Hldgs.) | 29 | -4 |
| I.O.M. Stm. £1 | 187 | -3 | Ins. Corp. | 260 | ...... |
| Pearce (C. H.) | 465 | ...... | Irish Ropes | 46 | ...... |
| Peel Mills | 45 | ...... | Jacob | 31 | -2 |
| Sheff. Refrshmt | 102½xd | ...... | T.M.G. | 87 | ...... |
| Sindall (Wm.) | 142 | ...... | Unidare | 75 | ...... |

## OPTIONS

### 3-month Call Rates

| | | | | | |
|---|---|---|---|---|---|
| **Industrials** | | I.C.I. | 27 | Utd. Drapery | 6½ |
| A. Brew | 7 | "Imps" | 6½ | Vickers | 12 |
| BOC Intl. | 6 | I.C.L. | 14 | Woolworths | 5½ |
| B.S.R. | 4½ | Inveresk | 4 | | |
| Babcock | 8 | Ladbroke | 15 | **Property** | |
| Barclays Bank | 34 | Legal & Gen. | 15 | Brit. Land | 7 |
| Beecham | 10 | Lex Service | 8 | Cap. Counties | 9 |
| Blue Circle | 25 | Lloyds Bank | 24 | Land Secs. | 24 |
| Boots | 16 | "Lots" | 3½ | MEPC | 17 |
| Bowaters | 15 | London Brick | 6 | Peachey | 13 |
| B.A.T. | 20 | Lucas Inds. | 17 | Samuel Props. | 12 |
| Brown (J.) | 6 | "Mams" | 14 | Town & City | 2 |
| Burton 'A' | 10 | Mrks. & Spncr | 8 | | |
| Cadburys | 5½ | Midland Bank | 26 | **Oils** | |
| Courtaulds | 0 | N.E.I. | 3 | Brit. Petroleum | 32 |
| Debenhams | 8 | Nat. West. Bank | 27 | Burmah Oil | 20 |
| Distillers | 17 | P & O Dfd. | 10 | Charterhall | 10 |
| Dunlop | 7½ | Plessey | 14 | KCA | 11 |
| Eagle Star | 15 | Racal Elect. | 22 | Premier | 13 |
| F.N.F.C. | 2¼ | R.H.M. | 4½ | Shell | 35 |
| Gen. Accident | 21 | Rank Org. | 15 | Tricentrol | 40 |
| Gen. Electric | 30 | Reed Intnl. | 16 | Ultramar | 35 |
| Glaxo | 18 | Sears | 5 | | |
| Grand Met. | 12 | Tesco | 6 | **Mines** | |
| G.U.S. 'A' | 34 | Thorn | 23 | Charter Cons. | 14 |
| Guardian | 23 | Trust Houses | 12 | Cons. Gold | 40 |
| G.K.N. | 20 | Tube Invest. | 23 | Lonrho | 8 |
| Hawker Sidd | 15 | Unilever | 40 | Rio T. Zinc | 35 |
| House of Fraser | 15 | U.D.T. | 5½ | | |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

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FINANCIAL TIMES
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MAN OF THE WEEK

# Thanks for the memory

GUY DE JONQUIERES

DICK PETRITZ is a patient man. Or maybe more than 20 years' schooling in the entrepreneurial rough and tumble of the U.S. electronics industry has taught him to preserve a poker player's cool, never emitting even a flicker of uncertainty as the odds mount steadily higher.

This week, his patience was rewarded. After seveo months of vacillation aod anguished debate, the British Government finally approved a second £25m of support for Inmos, the state-backed microchip venture of which Petritz, an American, is chief executive. The money will enable the company to go ahead with plans to build its first UK factory.

Whatever frustrations Petritz has endured in the past few months, he has masked them

Richard Petritz
*Looking for monagers of the future*

in public behind an implacable calm. Even now, he will not admit to having had any real doubts about the outcome. The furthest he will go is to concede, in a flat mid-western drawl, that things have been "a little hectic" recently.

Petritz has spent much time commuting between Inmos' U.S. operation in Colorado Springs and its UK headquarters in Bristol. But he insists that most of that time has been devoted to the company's internal affairs. He says that he has done little lobbying, leaving the National Enterprise Board, Inmos' psrent, to argue the case before Ministers.

His imperturbable air is the more remarkable in a man who is embarking on a challenging new venture at 57, an age when many other successful businessmen start to think of easing up.

"But the future looked so exciting, I didn't want to sit on the sidelines," he says. "After spending most of my working life in the industry, what excited me was that electronics had only just got started. There are so many applications opening up for microelectronic products."

The idea for Inmos was born three years ago when Petritz met Iann Barron, an Englishman who is now the company's executive director, at a conference in Toronto. Petritz was seeking finance for an advanced chip-making project: Barron suggested the British Labour Government, then looking for promising high technology investments. And so the deal was done.

Petritz already had a highly successful record as an electronics engineer turned entrepreneur. After 10 years directing research at the giant Texas Instruments, he founded a venture capital firm in 1968. One of its investments was Mostek, which has mushroomed into the seventh biggest integrated circuit manufacturer in the world.

He persuaded Paul Schroeder, Mostek's head of research, to join Inmos. Schroeder is widely acknowledged to be a brilliant designer of integrated circuits and is responsible for the memory devices which Inmos plans to start marketing soon. These will be made initially in the U.S., with UK production starting in about two years.

Though deeply involved in Inmos' day-to-day operations, Petritz sees his role as something of an elder statesman. His aim is "to build a new company around outstanding young men who don't necessarily have any management experience. We are betting on tomorrow's stars rather than on yesterday's heroes."

If Inmos is the success Petritz claims it will be, it stands to make him even wealthier—by as much as £6m. But he insists that his main motivation is fun. "You really need to be having a good time when you're building a new company. Otherwise it's too much work."

# Glassmakers plan job cuts

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

NEARLY 1,000 jobs are to be axed by Rockware Glass, one of Britain's largest glass container manufacturers. And United Glass, its closest UK competitor, is also drawing up a redundancy programme.

According to the Association of Salaried, Technical and Managerial Staffs, around 500 jobs could be at risk at United Glass, though the company would say yesterday only that it expected to reach agreement with its unions on redundancies in a month or so.

The cutbacks stem from the downturn in consumer spending. Both companies are being hit by falling demand for glass bottles from wine and spirit bottlers, and say they have been particularly affected by the drop in Scotch whisky exports.

At Rockware, the labour force is being reduced by 935, or nearly 20 per cent. The company had planned some time ago to implemeot a programme to reduce operating costs, with jobs cutbacks being introduced over a two- to three-year period.

The first results of this were seen at its factory in St. Helens, Lancs., last November, when nearly 450 jobs were lost. Now the balance of that programme has been brought forward by a year and st the same time has been made more wide-ranging.

Rockware says it has also had to take action because imports of glass containers from the Continent are increasing as a result of the effects on competitiveness of the rise in the value of sterling.

Four years ago imports took 6.4 per cent of the market. By last year, they were up to 10.4 per cent. And in the first three months of this year they were 9.4 per cent up on the same period of 1979.

The redundancy programme will affect all the company's factories, and will include white collar staff as well as shopfloor workers. The two Knottingley factories near Leeds in Yorkshire will lose 330 jobs this year and 60 next year. At Irvine in Scotland the workforce will be cut by 120 this year and 130 next year.

St. Helens will lose another 180 jobs by the middle of next year, and Wheatley, near Doncaster, Yorks, 100 jobs by the end of this year.

At United Glass, in addition to redundancies, there is also thought to be a possibility of short-time working.

Mr. John Small, group managing director, said yesterdsy. "The industry expects to be affected by economic recession, but this time the market has contrscted very considerably."

The psckaging industry bas also been hit this year by the poor summer, resulting in weak demand for bottled and canned beers and soft drinks.

# Oil producers curb output

BY RAY DAFTER, ENERGY EDITOR

LEADING OIL producers have started a new wave of production cuts to attempt to bring supply and demand more into balance.

Nigeria, one of the world's top oil exporters, is reported to be reducing production levels by 10 per cent, or about 200,000 barrels a day. Companies which refine Nigerian oil said yesterday they were still awaiting official notification of the cut from the Nigerian National Petroleum Corporation.

Abu Dhabi, an important Gulf producer, began an 80,000 barrels a day production reduction yesterday. The 6 per cent drop in output, from 1.34m to 1.26m barrels a day, is expected to stay in force until the end of the year. Abu Dhabi cut production levels by 7.5 per cent in January.

Malayia has reduced its daily production level from 300,000 to 280,000 barrels a day under its oil depletion policy. Mr. Raslam Hadi, managing director of Petronas, the Malaysian national oil company, said the output could be lowered to between 250,000 and 260,000 barrels a day later.

The reductions in these three countries — around 300,000 barrels a day—is a small amount when set against non-Communist world production of around 46m. But they represent the lstest sdjustment in the supply and demand balance which is still favouring buyers of crude oil.

During the first half of this year member countries of the Organisation of Petroleum Exporting Countries reduced their combined production level by more than 8 per cent, from around 30m barrels a day to about 27.5m. Iran, Kuwait and Libya accounted for the bulk of this drop.

According to a report yesterday from stockbrokers Phillips and Drew production levels will have to be reduced much further if exporters hope to eliminate the considerable stocks built up in the first half of this year. The report says that OPEC will have to lop a further 500,000 to 750,000 barrels a day from its output if the supply and demand balance is to return to normal.

Much will depend on Saudi Arabia' OPEC's biggest producer and the world's leading exporter. The kingdom is still producing at the high rate of 9.5m barrels a day as part of its bid to restore pricing unity among the exporters' "doves" and "hawks." Ssudi Arabia is also maintaining its reference price for Saudi Light Crude at $28 a barrel, $4 a barrel below the ceiling for this type of crude agreed st OPEC's Algerian meeting in June.

Iran, on the other hand, bas announced that it will maintain its $35.37 a barrel price for its light crude oil throughout August. This price comprises an official rate of $33.5, a $3-a-barrel premium on half of the oil sold under contract, and a 37-cents-a-barrel surcharge for credit facilities.

According to oil traders, the full Iranian price is now $1 a barrel or more above the spot price for light, Persian Gulf crude. Spot market prices for Middle East and African crudes have fallen sharply in recent months as s result of the worldwide production surplus.

# Tanker disaster theory offered

BY CHARLES BATCHELOR IN ROTTERDAM

THE FIRST OFFICER of the Liberian-registered tanker Energy Concentration, which broke its back and sank in Rotterdam harbour 10 days ago had been on duty continuously for 41 hours at the time of the accident, a Dutch court was told yesterday.

Mr. Willem Valkenier, the Rotterdam agent for the Liberian Shipping Inspectorate, said the long hours worked by the officers on the Hong Kong-owned ship were partly responsible for the disaster.

Mr. Pao Fen Wang, the tanker's first officer, bad admitted that forgetfulness was behind his failure to carry out an order to redistribute the tnaker's cargo after it unloaded some of its oil at Le Havre, Mr. Valkenier said.

The loss of the 215,000 deadweight ton tanker, which is owned by the C. Y. Tung group of Hong Kong, occurred early on July 22 in Rotterdam's Europort oil terminal. The Energy Concentration is the latest in a long line of tankers sailing under flags of convenience which have been lost at sea or while discharging cargo.

The Dutch trial, coming soon after the Irish inquiry into the explosion of the tanker Betelgeuse at Bantry Bay last year reported serious deficiencies, will heighten concern over tanker safety.

The Rotterdam prosecutor yesterday demanded s three-months prison sentence, two months suspended, against the Taiwanese first officer and Mr. Sai Kit Lam, the ship's captain, from Hong Kong. The court will announce its verdict on Thursday.

Mr. Valkerier said he would recommend to the Liberian authorities that a standardised load and stress indicator should be installed on every tanker. The captain and first officer told police they did not have the computer needed to assess the redistribution of the cargo. They did not know how to use a smaller calculator. Its instructions were in Norwegian.

Mr. Valkenier said he would propose an international study of the need to appoint a second senior officer to supervise loading and unloading on oil and gas tankers. There was too much work for the first officer and the captain.

Continued from Page 1

## Westward TV

the board has to face an IBA public meeting in Plymouth in connection with renewal and reallocation of ITV fraochises.

"They have no mandate from the shareholders snd no mandste from the staff to represent them at that meeting," Mr. Cadbury said. "I do not see how the board can appear before that meeting and say they represent the shareholders."

After the board meeting Westward said the hoard resolved, in accordance with the company's articles, "to call on Mr. and Mrs. Peter Cadbury, together with Mr. Cadbury's son-in-law Mr. Michael Wigan, to agree not to use their voting shares on any resolution which might be put to shareholders regarding composition of the board."

This step was taken because of the board's concern "that publicly-stated intentions of Mr. Cadbury and Lord Lisburne would severely prejndice renewal of the company's franchise by the IBA later this year."

The company's articles of association made provision for the board to act in this manner if it was the directors' view that a shareholder's actions would place the franchise in jeopardy.

Ir was confirmed that the hoard will soon write to all shareholders giving more details of its case against Mr. Cadbury and Lord Lisburne.

Continued from Page 1

## Labour

Mrs. Williams said the aim had been to alert the party to attempts by the undemocratic, far-Left, to impose its control through party caucuses.

The letter had not heen directed against the Tribune Group's democratic Left wingers, she said.

The Moderates' thrust brought a rapid and bitter riposte

The Left's Rank and File Mobilising Committee formed to co-ordinate the constitutional campaign, said: "If the Gang of Three would only stop threatening to leave the party and actually do it, they would spare us all a great deal of trouble.

"They are out of place in the Labour Party, for they are, in all essentials, Conservatives."

# Doubts over teachers' pay award

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MORE THAN ½m teachers were swarded pay rises of 13 to 14 per cent by statutory arbitration yesterday, but the Cabinet is still split over whether to pay the awards or to seek to set them aside in Parliament.

It is understood that the Prime Minister and "hard-line" colleagues remain firmly opposed to paying the awards in full, which would cost roughly £520m. Other Cabinet Ministers, including Mr. Mark Carlisle, Secretary for Education and Science, wish to follow the tribunal's recommendations.

These may be set aside only by introducing an order in both Houses of Parliament, which rise for the summer recess next week. If the Cabinet is against the awards, no decision could be taken until the autumn.

The recommendations [illegible] lished yesterday [illegible] schoolteachers and 80,000 teaching staff in further education colleges and polytechnics.

Both groups were recently awarded rises averaging 18.2 per cent for the year beginning April 1, 1979 by the Clegg Commission on Pay Comparability. The commission later acknowledged that erroneous information had caused this award to be about four percentage points too high.

On hearing of this mistake, the local edncation authority employers reduced the 13 per cent offer they had made to around 9.5 per cent.

The unions, despite the 4 per cent overpayment acknowledged by the Clegg Commission, continued to claim 1980 rises of about 20 per cent.

In esch case, the arbitration [illegible] the Advi[illegible] Arbitration Service—have decided the 1980 award should be limited to 13-14 per cent "new money," although they add that "the complicated position of the pay increases since April 1, 1979, makes precise calculations virtually impossible."

In addition, there should be further 1980 increases payable from September 1, in order to adjust teachers' differentials. These would range from 2½ per cent to 4 per cent in the case of schoolteachers, and from 1½ per cent to 3 per cent in the case of further education staff.

The proposed awards were described as unfair and too small by the two largest teachers' unions, the National Union of Teachers, and the National Association of Schoolmasters and Union of Women Teachers, which together represent about 380,000 school staff.

هكذا من الأصل

# Managers of funds 'cleared'

By Christine Moir

THE ELECTRICITY Council yesterday cleared Mr. Alan Urwin and Mr. William Lund—the two managers of the council's £1.3bn pension funds who have been suspended from duty since March—of "any allegations of impropriety or dishonesty."

The announcement comes with the report from a Metropolitan Police fraud squad inquiry into the affairs of the funds still being considered by the Director of Public Prosecutions.

The fraud squad's inquiry began at the request of Mr. Austin Bunch, deputy chairman of the Electricity Council and chairman of the pension funds' board of trustees.

The initial report was forwarded to the Director of Public Prosecutions within the past few days. Only he can decide whether to proceed with further investigations, and his decision is not expected for some time.

Meanwhile, the Electricity Council says that it has "accepted the assurances of Mr. Urwin and Mr. Lund that they acted at all times in the interests of the funds which they were employed to manage."

Mr. Bunch suspended the two men from their duties as investment and deputy investment managers of the pension funds after he had forwarded to the police a report be had commissioned from accountants Cork Gully. This is believed to have been a study of the funds' investment in Westmoreland Investments, an unquoted property company.

At the time, the two men protested their innocence of any irregularity in their handling of the investment, which had involved the fund in buying out the minority interests in Westmoreland at a price well above the value placed on the assets by the funds' professional property advisers.

## Weather

UK TODAY

MOSTLY dry, sunoy periods, thundery rain in some western districts.

London, E., C.S., C.N., S.E. England, E. Anglia, E., W. Midlands

Mostly dry, sunny periods. Max. 23C (73F).

N.W., S.W. Scotland, C. Highlands, Ulster, N.W., S.W. England, N., S. Wales, Lake District

Dry, thundery rain later. Max. 23C (73F).

Outlook: Showers, sunny intervals.

WORLDWIDE

| | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 29 | 84 | L. Plms. | S | 23 | 73 |
| Algiers | S | 31 | 88 | Lisbon | S | 25 | 77 |
| Amsdm. | S | 25 | 77 | Locarno | C | 26 | 79 |
| Athens | S | 32 | 90 | London | F | 21 | 70 |
| Bahrain | S | 40 | 104 | Luxmbg. | S | 24 | 75 |
| Barclna. | C | 18 | 64 | Luxor | S | 38 | 100 |
| Beirut | S | 29 | 84 | Madrid | S | 30 | 86 |
| Belfast | R | 16 | 61 | Majorca | S | 32 | 90 |
| Belgrd. | C | 26 | 77 | Malaga | S | 27 | 81 |
| Berlin | F | 22 | 72 | Malta | S | 31 | 88 |
| Biarritz | S | 23 | 73 | M'chstr | F | 19 | 66 |
| Bmghm. | C | 19 | 66 | Melbne. | C | 17 | 63 |
| Blackpl. | C | 18 | 64 | Milan | S | 30 | 86 |
| Bordx. | F | 24 | 75 | Moscow | S | 23 | 73 |
| Boulgn. | C | 21 | 70 | Munich | S | 25 | 77 |
| Bristol | S | 20 | 68 | Nairobi | S | 19 | 66 |
| Brussels | S | 24 | 75 | Naples | S | 31 | 88 |
| Budpst. | F | 26 | 79 | Nwcstl. | F | 19 | 66 |
| B. Aires | S | 13 | 55 | Nice | S | 27 | 81 |
| Cairo | S | 35 | 95 | Oporto | S | 20 | 68 |
| Cardiff | F | 19 | 66 | Oslo | C | 22 | 72 |
| Cas'b'ca | S | 23 | 73 | Paris | S | 26 | 79 |
| Cape T. | S | 17 | 63 | Perth | S | 15 | 59 |
| Cologne | S | 25 | 77 | Prague | F | 23 | 73 |
| Cpnhgn. | C | 18 | 64 | Reykjvk. | R | 15 | 51 |
| Corfu | S | 33 | 91 | Rhodes | S | 30 | 88 |
| Dublin | S | 17 | 63 | Rio J'o | C | 20 | 68 |
| Dbrvnk. | S | 30 | 86 | Rome | S | 33 | 91 |
| Ednbgh. | C | 17 | 63 | Salzbrg. | S | 26 | 79 |
| Faro | S | 26 | 79 | Singapr. | C | 31 | 88 |
| Florence | S | 33 | 91 | Stckhm. | S | 26 | 79 |
| Frankft. | S | 25 | 77 | Strasbg. | S | 25 | 77 |
| Funchal | S | 26 | 79 | Sydney | S | 17 | 63 |
| Geneva | S | 25 | 77 | Tangier | S | 25 | 77 |
| Gibrltr. | S | 25 | 77 | Tehran | S | 32 | 90 |
| Glasgow | F | 17 | 63 | Tel Aviv | S | 28 | 82 |
| G'rnsey | F | 19 | 66 | Tenerife | S | 23 | 73 |
| Helsinki | S | 28 | 82 | Tokyo | S | 22 | 72 |
| H. Kong | S | 31 | 88 | Tunis | S | 30 | 86 |
| Innsbrk. | S | 28 | 82 | Valencia | S | 28 | 82 |
| Invrnss. | F | 18 | 64 | Venice | S | 30 | 86 |
| Istanbul | R | 20 | 68 | Vienna | S | 25 | 77 |
| Jersey | F | 18 | 64 | Warsaw | S | 24 | 75 |
| Jo'burg | S | 18 | 65 | Zurich | S | 24 | 75 |

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

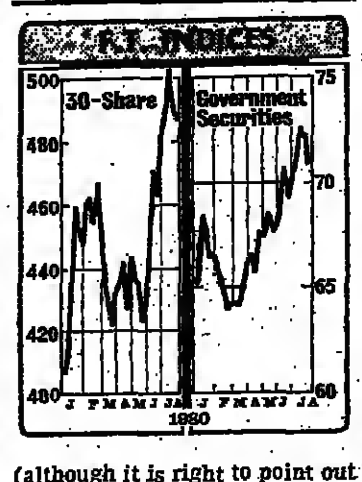
THE LEX COLUMN

# The equity market in perspective

More people on the floor of the Stock Exchange yesterday seemed to be interested in the Coe-Ovett confrontation than in the progress of the securities markets. Over the week the FT 30-Share Index shows hardly any net change, amid much talk of consolidation. The politicians had had their final msjor set piece debate of the season in Wednesdsy's censure motion, and the City decided that the failnre of MLR to fall on Thursday also implied that the financial authorities had decided to hold a steady course until after the holiday season.

If MLR fails to fall further until September it will have been the most important financial disappointment of 1980 so far. One of the most widespread beliefs st the start of the year was that interest rates were going to fall. Yet yesterday three-month inter-bank rate was still around 16 per cent, barely a point lower than at the beginning of January.

Index fell 2.4 to 487.9




## Gilt-edged gains

But st the long end of the gilt-edged market the optimists have received a grester reward. From almost 15 per cent at the turn of the year the F.T.-Actuaries high coupons 25-year gilt-edged yield index has eased to little more than 13 per cent, and hit a low point of 12.6 per cent one day last week before the recent element of profit taking crept in.

And in many other respects economic developments have proceeded much in accordance with expectations at the start of the year. The economy has moved into cyclical recession, with gross domestic product falling 4 per cent on the output measure in the first quarter (and there is much evidence of a sharper decline in activity in April-June). Inflation peaked at 22 per cent in May, and is now on the way down.

On January 2 the Lex Column examined the cyclical prospects and concluded that although on balsnce equities remained vulnerable for the time being, a turning point would be reached before the middle of the year. In broad terms that turned out to be a useful judgment, although not precisely accurate: the 30-Share Index had in fact touched a low of 406.3 last November, and this has not been undershot since. After an early flurry, which led to burnt fingers in March, however, the 30-Share languished until the beginnig of June when a level of 412.7 proved to mark the really important turning point of the year for equities (although it is right to point out thst the more broadly based FT-Actuaries All-Share Index performed much more strongly during the early part of the year).

Generally speaking, the behaviour of the securities markets so far in 1980 fits in quite well with past patterns at cyclical turning points between bear and bull phases. It is normal for equities to turn up a few months after gilts, snd that is the way it happened, with gilt-edged bottoming out on March 3, just three months ahesd of share prices. From that point the FT 30-Share went more or less straight up to the peak of just over 500 on July 16, a six-week gain of 22 per cent.

These short-term gains have not been fully held, but it seems clear that equities have moved into the early stages of a fundamental bull market. This does not mean that prices will rocket upwards in the short run, but it is noticcable that the mood has changed greatly. There is little talk of financial crisis, even though severe difficulties are being faced by manufacturing industry.

## Phase one

The early phase of a bull msrket relies on a purely financial turnround: interest rates fall, funds are released by destocking and spending cutbacks in industry. But it is only lster on that share prices, in a second phase, come to be supported by the improving prospects of the company sector.

On this analysis, the equity market is currently enduring a hiccup in the first phase. Interest rates are not coming down as fast as has been hoped either by the City or the Government, and there is some anxiety about whst next Tuesday's banking figures will show. The shakeout in industry is proceeding, but at a slow pace—many companies are still badly overstocked, as yesterday's announcement from Rockware Group illustrated only too well.

Now the market is moving into a period of very nasty profit figures as companies begin to report for the first half of the year. Already the clearing banks have greatly disappointed, and Tube Investments could set the tone for manufacturers next week. At the same time, the importance of manufacturing industry within the London equity market has shrunk so much within the past few years that bad results from the heartland of British industry can be absorbed without too much difficulty.

Moreover the pension funds which are increasingly dominating the stock market are tending to get overweight in gilt-edged stock after the torrent of new issues by the Government. They will be seeking to step up their investment in equity-type assets, although their choice is by no means confined to UK equities as such.

## Foreign flows

Thus the institutions are still very keen buyers of property (it is significant that a company like Tesco finds it more attractive to raise cash from the institutions by selling them properties rather than shares) and official figures for institutional investment flows in the first quarter show a surge in purchases of overseas equities following the relaxation of exchange controls.

Contrary to some expectations, there is no sign yet of a major wave of rights issues. Those companies which are sorely in need of cash are in no position to raise it and are having to shrink instead. Far from investors pouring cash into companies, rich companies are actually buying shares off investors; this has been demonstrated by the recent spate of dawn raids, but more importantly by bids like BP for Selection Trust, and Kuwait Investment Office for Hay's Wharf.

All this establishes a firm undertone for the equity market, although for the time being the momentum provided by interest rate hopes has been dissipated. In the very short term, the equity market must await a genuine easing of the monetary pressures which the authorities are still trying to contain.



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